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Independent Auditor's Report

To the Members of Aequs Limited (formerly known as Aequs Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Aequs Limited (formerly known as Aequs Private Limited) (the "Company")its Aequs Stock Option Plan Trust which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (herein referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition	
See Notes 2(d) and 15 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company is engaged in the business of contract manufacturing, catering to the manufacture of machined parts used in the aerospace sector. The Company supplies goods only against committed orders and has	In view of the significance of the matter, we applied the following audit procedures, among others, to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the

a concentrated customer base. The revenue is derived primarily from sale of these goods. Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. There are variations in the terms of different sales contracts which require detailed analysis of each contract regarding timing of revenue recognition. Consequently, there is a risk of revenue being overstated due to recognition prior to the transfer of control, particularly in light of pressures to achieve performance targets at the end of the reporting period. Accordingly, we have identified the timing of revenue recognition as a key audit matter.	accounting policies for revenue recognition and its compliance with applicable accounting standards; • We evaluated the design and implementation of the Company's manual and general IT controls and key IT application controls with respect to revenue recognition and tested operating effectiveness of these controls over recording of revenue in the correct period, by involving internal IT specialists; • We performed substantive testing on samples selected using statistical sampling of revenue transactions recorded during the year and around the year-end date by testing the underlying documents including sale invoices, customer contracts and delivery documents to assess whether the revenue had been recognised in the correct reporting period; • We tested sample journal entries for revenue recognised, selected based on specified risk-based criteria, to identify unusual entries; • We have performed substantive testing of subsequent credit notes/ reversal entries recorded by selecting a sample of high value items resulting in untested balance being immaterial; and • We evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements, in accordance with the relevant accounting standard.

Impairment on investments in subsidiaries	
See Notes 2(n) and 6 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company has significant investment in subsidiaries as at 31 March 2026 (amounting to INR 14,103.09 million, net of impairment provision of INR 6,627.14 million) which accounts for 70.63% of total assets as on that date. The investments are assessed at the end of each reporting period to determine whether there is any indication of impairment and the consequential impairment loss, if any.	In view of the significance of the matter, we applied the following audit procedures, among others, to obtain sufficient appropriate audit evidence: • Understanding the process followed by the Company in respect of the annual impairment analysis for investments in subsidiaries. We also assessed the net profit and net worth of the subsidiaries to identify whether an indicator for impairment existed and evaluated whether the net assets of the subsidiary were sufficient to

Significant judgements are involved in the discounted cash flow models to determine the key assumptions used for impairment testing, such as revenue growth discount rates and terminal growth rate. The impairment testing is also highly dependent on external factors such as future market conditions and the economic environment. We have identified valuation of investments in subsidiaries as a key audit matter because of the financial quantum of the assets as well as the critical judgements, estimates and assumptions involved with respect to the assessment of future cash flows.	recover the investment value; • We evaluated the design and implementation and tested the operating effectiveness of key internal financial controls with respect to the process of testing of impairment of its investment in subsidiaries, including controls relating to the determination of key assumptions used in such impairment testing; • We examined the recoverable value computations prepared by the Company using value-in-use models and evaluated the appropriateness of assumptions around the key drivers of the cash flow forecasts such as revenue growth rates, discount rate and terminal growth rate, considering current economic scenario; • We tested the arithmetical accuracy of the valuation model considered for the purpose of valuation of investment; • We performed a retrospective review of estimates by comparing the actual financial performance of the subsidiaries for the year ended 31 March 2026 with the projections considered by management during the previous year and assessed if the estimation process is reasonable; • We involved valuation specialists to assess the appropriateness of valuation methodology applied by the Company and to assess the reasonableness of market driven assumptions used in the valuation of investments; • We assessed the sensitivity of the assumptions on the valuation assessment; and • We evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors'/Board of Trustees' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies/Board of Trustees of the Aequs Stock Option Plan Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company / Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/Board of Trustees are responsible for assessing the ability of the Company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Board of Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Board of Trustees are responsible for overseeing the financial reporting process of the Company/Trust.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Company as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 34(vi)(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 34(vi)(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

- not enabled for the period from 01 April 2025 to 15 December 2025 at the database level to log any direct data changes; and
- not enabled for the period from 01 April 2025 to 09 October 2025 at the application level for certain fields / tables relating to all the significant financial processes.

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail where enabled, has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Place: Chennai

Membership No.: 060573

Date: 26 May 2026

ICAI UDIN:26060573SJNAZY4183

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

Quarter	Name of bank	Particulars	Amount as per books of account (INR millions)	Amount as reported in the quarterly return/ statement (INR millions)	Amount of difference (INR millions)	Whether return/ statement subsequently rectified
Jun-25	HDFC Bank	Inventories	336.00	333.36	2.64	No
		Trade receivables	176.00	172.24	3.76	No
Sep-25		Inventories	377.00	376.91	0.09	No
		Trade receivables	178.00	177.52	0.48	No
Dec-25		Inventories	401.00	401.13	(0.13)	No
		Trade receivables	206.00	206.18	(0.18)	No
Mar-26		Inventories	421.00	444.63	(23.63)	No
		Trade receivables	249.00	248.59	0.41	No

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership and other parties during the year. The Company has made investments, provided guarantee and granted unsecured loans to companies during the year in respect of which the requisite information is as below. Additionally, a loan recoverable from a subsidiary has also been converted to equity investment during the year. The Company has also not granted any secured loans to companies, or made any investments, provided guarantee or granted loans, secured or unsecured, to any firms and limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided unsecured loans or stood guarantee, to subsidiaries and joint ventures as below:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

Particulars	Guarantees [INR Millions]	Loans [INR Millions]
Aggregate amount during the year Subsidiaries* Joint ventures*	3,447.40 50.00	1,374.70 -
Balance outstanding as at balance sheet date Subsidiaries* Joint ventures*	3,447.40 50.00	1,374.70 -

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, including the investment made in a subsidiary through conversion of loan to equity investment and guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion, the repayment of principal and payment of interest have been stipulated, except loans of INR 474.00 million given to subsidiaries which are repayable on demand and outstanding advance in the nature of loan of INR 17.24 million given to fellow subsidiary and INR 51.55 million to a subsidiary, where the schedule of repayment of principal and payment of interest has not been stipulated.

As informed to us, in the case of loans repayable on demand, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. In the case of advances in the nature of loans where the schedule of repayment of principal and payment of interest has not been stipulated, we are unable to comment on whether the repayments or receipts are regular. In the case of other loans given to subsidiaries, the repayments and receipts have been regular except for the following receipts of interest:

Name of the entity	Amount [INR Millions]	Due date	Extent of delay	Remarks, if any
Aequs Consumer Products Private Limited	83.83	Multiple	1 - 154 days	None
Aerostuctures Manufacturing Private Limited	11.88	Multiple	1 - 122 days	None
Aequs Engineered	24.29	Multiple	1 - 183 days	None

Plastics Private Limited				
Aequs Force Consumer Products Private Limited	10.19	Multiple	1 - 183 days	None
Aequs Toys Private Limited	15.30	Multiple	1 - 305 days	None
Koppal Toys Molding COE Private Limited	4.11	Multiple	1 - 305 days	None
Aequs Rajas Extrusion Private Limited	2.61	Multiple	1 - 366 days	None

The Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loans of INR 17.24 million given to fellow subsidiary and INR 51.55 million to subsidiary, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Further, there is no overdue amount for more than ninety days in respect of loans given except interest of INR 64.74 million overdue for more than ninety days as at 31 March 2026. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties, except that repayment of INR 152.21 million, being the interest due on loans granted to subsidiaries, have been extended. The aggregate amount of such dues extended is 11.07% of the total loans granted during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Related parties
Aggregate of loans - Repayable on demand	115.00
Percentage of loans to the total loans	5.74%

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of guarantees provided and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. In respect of the investments made by the Company, in our opinion, the provisions of Section 186 of the Act has been complied with. Further, the Company has not provided security and therefore the relevant provisions of Sections 185 and 186 of the Act are not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax which have not been deposited on account of any dispute are as follows:

<table>
<tr><th>Name of the statute</th><th>Nature of the dues</th><th>Amount (INR Million)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td rowspan="2">Income Tax Act, 1961</td><td rowspan="2">Income Tax</td><td>25.30*</td><td>Financial year 2016-17</td><td>Commissioner of Income Tax-
(Appeals)</td></tr>
<tr><td>0.48</td><td>Financial year 2017-18</td><td>Commissioner of Income Tax-
(Appeals)</td></tr>
</table>

*Net of amounts paid under protest amounting to INR 22.53 million.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries (as defined under the Act) as per details below:

Nature of fund taken	**Name of lender (May mention whether Bank/ NBFC/ Corporate etc)**	**Amount involved (INR Million)**	**Name of the relevant subsidiary**	**Relationship**	**Nature of transaction for which funds utilised**	**Remarks, if any**
Initial public offer	Public	1,748.20	AeroStructures Manufacturing India Private Limited	Subsidiary	Re-payment of loans	None
		2,311.60	Aequs Consumer Products Private Limited			None
		96.30	Aequs Engineered Plastics Private Limited			None

Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

Nature of fund taken	Name of lender (May mention whether Bank/ NBFC/ Corporate etc)	Amount involved (INR Million)	Name of the relevant subsidiary	Relationship	Nature of transaction for which funds utilised	Remarks, if any
		558.80	AeroStructures Manufacturing India Private Limited		Capital expenditure*	None
		45.90	Aequs Toys Private Limited		General corporate purposes*	
		350.00	Aequs Consumer Products Private Limited			
Private Placement	Multiple	133.30	AeroStructures Manufacturing India Private Limited	Subsidairy	Re-payment of loans	None
		166.42			Capital expenditure#	None
		600.00	Aequs Consumer Products Private Limited		General corporate purposes#	None
		163.70	Aequs Engineered Plastics Private Limited			None
		154.10	Aequs Toys Private Limited			None

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

Nature of fund taken	Name of lender (May mention whether Bank/ NBFC/ Corporate etc)	Amount involved (INR Million)	Name of the relevant subsidiary	Relationship	Nature of transaction for which funds utilised	Remarks, if any
		20.00	Aequs Force Consumer Products Private Limited			None

*INR 812.00 million is unutilized by subsidiaries.

#INR 187.80 million is unutilized by subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) In our opinion and according to the information and explanations given to us, the company has utilised the money raised by way of initial public offer for the purpose for which they were raised. However, some portion of the amount raised, which remain unutilised during the year, have been temporarily invested in bank deposits and placed in current accounts of the Company and its wholly owned subsidaries as on 31 March 2026.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment of shares, or preferenial allotment or private placement of convertible debentures during the year.

In our opinion, in respect of private placement of shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013. The proceeds from private placement of shares have been used for the purposes for which the funds were raised. However, some portion of the amount raised, which remain unutilised during the year, have been temporarily invested in bank deposits and placed in current accounts as on 31 March 2026.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Resterve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from thebalance sheet date, will get discharged by the Company as and when they fall due.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Place: Chennai

Membership No.: 060573

Date: 26 May 2026

ICAI UDIN:26060573SJNAZY4183

Annexure B to the Independent Auditor's Report on the standalone financial statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Aequs Limited (formerly known as Aequs Private Limited) ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence tothe company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Annexure B to the Independent Auditor's Report on the standalone financial statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2026 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Place: Chennai

Membership No.: 060573

Date: 26 May 2026

ICAI UDIN:26060573SJNAZY4183

Aequs Limited (Formerly known as Aequs Private Limited) CIN : L80302KA2000PLC026760

Standalone Balance Sheet

(All amounts are in INR millions, except share data, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4	123.09	99.82
Right-of-use assets	4A	209.17	282.28
Intangible assets	5	22.02	22.64
Financial assets			
Investments in subsidiaries, associates and joint ventures	6	15,194.29	8,519.50
Loans	7 (iv)	1,993.55	-
Other financial assets	7(v)	26.43	25.22
Deferred tax assets (net)	25	104.52	116.67
Current tax assets		56.75	42.77
Other non-current assets	8	70.02	6.72
Total non-current assets		**17,799.84**	**9,115.62**
Current assets			
Inventories	9	444.63	372.74
Financial assets			
Trade receivables	7 (i)	248.59	171.44
Cash and cash equivalents	7 (ii)	998.82	168.25
Bank balances other than above	7 (iii)	290.53	0.11
Loans	7 (iv)	-	523.00
Other financial assets	7 (v)	56.78	57.26
Contract assets	7A	10.93	3.64
Other current assets	8	118.05	102.52
Total current assets		**2,168.33**	**1,398.96**
Total assets		**19,968.17**	**10,514.58**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	6,706.66	5,818.29
Other equity	11	11,970.32	3,277.09
Total equity		**18,676.98**	**9,095.38**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4A	175.91	225.45
Other financial liabilities	13 (iii)	326.77	464.25
Provision for employee benefits	12	28.97	19.68
Total non current liabilities		**531.65**	**709.38**

B S R & Co. LLP * Chartered Accountants *

Aequs Limited

Aequs Limited (Formerly known as Aequs Private Limited) CIN : L80302KA2000PLC026760

Standalone Balance Sheet

(All amounts are in INR millions, except share data, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Current liabilities			
Financial liabilities			
Borrowings	13 (i)	115.14	224.56
Lease liabilities	4A	62.93	66.79
Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises; and	13(ii)	3.66	7.59
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	13(ii)	316.47	228.66
Other financial liabilities	13 (iii)	115.77	117.02
Provision for employee benefits	12	11.78	8.58
Other current liabilities	14	72.52	2.86
Contract liabilities	7A	61.27	53.76
Total current liabilities		**759.54**	**709.82**
Total liabilities		**1,291.19**	**1,419.20**
Total equity and liabilities		**19,968.17**	**10,514.58**
Summary of material accounting policies	2		

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

Sampad Guha Thakurta
Partner

Membership No.: 060573
Place: Chennai
Date: May 26, 2026

for and on behalf of the Board of Directors of
Aequs Limited (Formerly known as Aequs Private Limited)
CIN : L80302KA2000PLC026760

Rajeev Kaul
Co-Founder and Managing Director
DIN-01468590
Place: Belagavi
Date: May 26, 2026

Aravind S Melligeri
Executive Chairman and Chief Executive Officer
DIN-00787735
Place: Belagavi
Date: May 26, 2026

Dinesh Iyer
Chief Financial Officer
Place: Belagavi
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary and Compliance Officer
M. No. - A20823
Place: Belagavi
Date: May 26, 2026

Aequs Limited

Aequs Limited (Formerly known as Aequs Private Limited) CIN : L80302KA2000PLC026760

Standalone Statement of Profit and Loss

(All amounts are in INR millions, except share data, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	15	1,238.58	922.39
Other income	16	545.34	195.72
Total income (A)		**1,783.92**	**1,118.11**
Expenses			
Cost of materials consumed	17	543.13	355.84
Changes in inventories of finished goods and work-in-progress	18	(12.87)	(0.62)
Employee benefit expense	19	236.18	138.33
Impairment (reversals) / losses on financial assets	27	(0.75)	0.82
Other expenses	21	462.36	349.57
Total expenses (B)		**1,228.05**	**843.94**
Earnings before finance costs, depreciation and amortisation, exceptional items and tax (A-B)		**555.87**	**274.17**
Finance costs	22	88.53	52.64
Depreciation and amortisation expense	20	94.50	102.12
Profit before exceptional items and tax		**372.84**	**119.41**
Exceptional items loss	24	187.45	(824.92)
Profit / (loss) before tax		**560.29**	**(705.51)**
Income tax expense			
- Current tax	25	49.11	-
- Deferred tax	25	13.19	35.27
Total tax expense		**62.30**	**35.27**
Profit / (loss) for the year		**497.99**	**(740.78)**
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	12	1.15	5.02
- Income tax relating to these items		-	-
Other comprehensive income / (loss) for the year, net of tax		**1.15**	**5.02**
Total comprehensive income / (loss) for the year, net of tax		**499.14**	**(735.76)**
Earnings per equity share (in INR) (Nominal value per share: ₹10)	32		
Basic		0.82	(1.31)
Diluted		0.81	(1.31)
Summary of material accounting policies	2		

The accompanying notes are an integral part of standalone financial statements

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

Sampad Guha Thakurta
Partner

Membership No.: 060573
Place: Chennai
Date: May 26, 2026

for and on behalf of the Board of Directors of
Aequs Limited (Formerly known as Aequs Private Limited)
CIN : L80302KA2000PLC026760

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Co-Founder and Managing Director
DIN-01468590
Place: Belagavi
Date: May 26, 2026

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Executive Chairman and Chief Executive Officer
DIN-00787735
Place: Belagavi
Date: May 26, 2026

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Chief Financial Officer
Place: Belagavi
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary and Compliance Officer
M. No. - A20823
Place: Belagavi
Date: May 26, 2026

Aequs Limited

Aequs Limited (Formerly known as Aequs Private Limited) CIN : L80302KA2000PLC026760

Standalone Statement of Changes in Equity

(All amounts are in INR millions, except share data, unless otherwise stated)

A. Equity share capital (refer note 10)

	Amount
Balance as at April 1, 2024	**4,247.59**
Changes during the year	1,570.70
Balance as at March 31, 2025	**5,818.29**
Changes during the year	888.37
Balance as at March 31, 2026	**6,706.66**

B. Instruments entirely equity in nature Compulsorily Convertible Preference Shares (CCPS) (refer note 10A)

	Amount
Balance as at April 1, 2024	4,071.16
Changes during the year	(4,071.16)
Balance as at March 31, 2025	-
Changes during the year	-
Balance as at March 31, 2026	-

C. Other equity (refer note 11)

	Reserves and surplus					Total other equity
	Retained earnings	Securities premium	Share option outstanding account	Treasury shares	Other reserves	
Balance as at April 01, 2024	**(5,641.14)**	**7,306.33**	**55.58**	**(265.09)**	**17.18**	**1,472.86**
Profit/(loss) for the year	(740.78)	-	-	-	-	(740.78)
Other comprehensive income/(loss) for the year	5.02	-	-	-	-	5.02
Other comprehensive income/(loss) for the year	**(735.76)**	-	-	-	-	**(735.76)**
Transactions with owners of the Company						
Premium on shares issued during the year	-	2,500.46	-	-	-	2,500.46
Employee stock option expense	-	-	12.30	-	-	12.30
Transfer of reserves relating to lapse of vested options	1.90	-	(1.90)	-	-	-
Total contributions and distributions	**1.90**	**2,500.46**	**10.40**	-	-	**2,512.76**
Exercise of share option	-	-	-	23.10	-	23.10
ESOP expenses cross charged to other group entities	-	-	-	-	(0.37)	(0.37)
Financial guarantee received during the year	-	-	-	-	4.50	4.50
Sub total	-	-	-	**23.10**	**4.13**	**27.23**
Balance as at March 31, 2025	**(6,375.00)**	**9,806.79**	**65.98**	**(241.99)**	**21.31**	**3,277.09**
Balance as at April 01, 2025	**(6,375.00)**	**9,806.79**	**65.98**	**(241.99)**	**21.31**	**3,277.09**
Profit/(loss) for the year	497.99	-	-	-	-	497.99
Other comprehensive income/(loss) for the year	1.15	-	-	-	-	1.15
Other comprehensive income/(loss) for the year	**499.14**	-	-	-	-	**499.14**
Transactions with owners of the Company						
Premium on shares issued during the year	-	8,981.27	-	-	-	8,981.27
Employee stock option expense	-	-	45.21	-	-	45.21
Transfer of reserves relating to lapse of vested options	3.87	-	(3.87)	-	-	-
Share issue expenses	-	(437.26)	-	-	-	(437.26)
Total contributions and distributions	**3.87**	**8,544.01**	**41.34**	-	-	**8,589.22**
Exercise of share option	-	15.69	(15.69)	44.03	-	44.03
ESOP expenses cross charged to other group entities	-	-	-	-	4.18	4.18
Financial guarantee received during the year	-	-	-	-	4.50	4.50
Issue of shares to Aequs Stock Option Plan Trust	-	-	-	(447.84)	-	(447.84)
Sub total	-	**15.69**	**(15.69)**	**(403.81)**	**8.68**	**(395.13)**
Balance as at March 31, 2026	**(5,871.99)**	**18,366.49**	**91.63**	**(645.80)**	**29.99**	**11,970.32**

Summary of material accounting policies (Note 2)

The accompanying notes are integral part of these standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

Sampad Guha Thakurta
Partner

Membership No.: 060573
Place: Chennai
Date: May 26, 2026

for and on behalf of the Board of Directors of
Aequs Limited (Formerly known as Aequs Private Limited)
CIN : L80302KA2000PLC026760

Aequs Limited

Rajeev Kaul
Co-Founder and Managing Director
DIN-01468590
Place: Belagavi
Date: May 26, 2026

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Executive Chairman and Chief Executive Officer
DIN-00787735
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Chief Financial Officer
Place: Belagavi
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary and Compliance Officer
M. No. - A20823
Place: Belagavi
Date: May 26, 2026

Aequs Limited (Formerly known as Aequs Private Limited) CIN : L80302KA2000PLC026760
Standalone Statement of Cash Flows
(All amounts are in INR millions, except share data, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities		
Profit / (Loss) before income tax	560.29	(705.51)
Adjustments for:		
Depreciation and amortisation expense	94.50	102.12
Unrealized foreign exchange gain	8.38	(33.99)
Realised loss on lease payment	12.81	-
Equity-settled share-based payment transactions	31.17	5.05
Net gain on disposal of property, plant and equipment	-	(0.01)
Impairment (gain)/ loss on long term investments	(234.39)	833.42
Impairment loss on receivable from related parties	-	(8.50)
Interest income from financial asset at amortised cost	(208.33)	(16.08)
Gain on mutual funds	-	(23.44)
Liabilities no longer required written back	(3.74)	(0.23)
Impairment (reversals) / losses on financial assets	(0.75)	0.82
Provision for slow moving inventory	0.50	8.85
Financial guarantee income	(306.74)	(121.98)
Interest expense	49.51	41.93
Unwinding of discount on security deposits	(1.20)	(1.12)
Financial guarantee expense	4.50	5.08
	6.51	**86.41**
Working capital adjustments		
- (Increase) in trade receivables	(67.84)	(53.41)
- (Increase) in inventories	(72.39)	(79.24)
- Decrease in other financial assets	0.47	32.46
- (Increase) in other assets	(30.17)	(58.69)
- (Increase) in contract assets	(7.29)	(0.93)
- Increase in trade payables	80.81	49.09
- Increase/(decrease) in provision for employee benefit	13.64	(9.22)
- Increase/(decraese) in other financial liabilities	15.30	(2.62)
- Increase/(decrease) in other liabilities	69.66	(6.41)
- Increase in contract liabilities	7.51	52.75
Cash generated from operations	**16.21**	**10.19**
Income taxes paid (net of refunds)	(64.13)	(7.49)
Net cash generated from operating activities (A)	**(47.92)**	**2.70**
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(102.44)	(18.33)
Proceeds from sale of property, plant and equipment	-	0.83
Loans given to related parties	(1,364.81)	(541.50)
Repayment of loans given to related parties	-	22.50
Interest received	105.61	42.08
Investments in bank deposits	(290.53)	(1,543.15)
Proceeds from maturity of bank deposits	-	3,139.08
Investments in mutual funds	-	(151.89)
Proceeds from sale of mutual funds	-	449.82
Investments in subsidiaries, associate and joint ventures	(6,277.32)	(1,461.29)
Net cash used in investing activities (B)	**(7,929.49)**	**(61.85)**

B S R & Co. LLP ★ Chartered Accountants ★

Aequs Limited ★

Aequs Limited (Formerly known as Aequs Private Limited) CIN : L80302KA2000PLC026760

Standalone Statement of Cash Flows

(All amounts are in INR millions, except share data, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from financing activities:		
Proceeds from issue of equity shares	9,437.50	-
Share issue expenses (net)	(437.26)	-
Repayment of long-term borrowings	-	(9.93)
Exercise of share option	44.03	23.10
Principal repayment of lease liabilities	(73.19)	(53.43)
Proceeds from /(repayment of) short term borrowing (net)	(113.37)	7.94
Finance costs paid	(49.73)	(43.18)
Net cash inflow / (outflow) from financing activities (C)	**8,807.98**	**(75.50)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**830.57**	**(134.65)**
Cash and cash equivalents at the beginning of the year	168.25	302.90
Cash and cash equivalents at end of the year	**998.82**	**168.25**
Cash and cash equivalents comprise the following:		
Balances with banks:		
- current accounts	9.88	2.30
- deposits with original maturity of three months or less	988.93	165.94
Cash on hand	0.01	0.01
Total cash and bank balance at the end of the year	**998.82**	**168.25**

Summary of material accounting policies (Note 2)

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No. 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date: May 26, 2026

for and on behalf of the Board of Directors of

Aequs Limited (Formerly known as Aequs Private Limited)

CIN : L80302KA2000PLC026760

Rajeev Kaul

Co-Founder and Managing Director

DIN-01468590

Place: Belagavi

Date: May 26, 2026

Aravind S Melligeri

Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Belagavi

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Dinesh Iyer

Chief Financial Officer

Place: Belagavi

Date: May 26, 2026

Ravi Mallikarjun Hugar

Company Secretary and Compliance Officer

M. No. - A20823

Place: Belagavi

Date: May 26, 2026

Aequs Limited

1. Background:

Aequs Limited (Formerly known as Aequs Private Limited) ('the Company') was incorporated on March 27, 2000 under provisions of the Companies Act, 1956 and is located at Special Economic Zone ('SEZ') Belagavi, Karnataka, India. It has its registered office at Whitefield, Bengaluru. The Company, along with its subsidiaries, and its associates and joint ventures are engaged in the business of contract manufacturing catering to various industries. These units are registered to carry on the operations relating to manufacture of machined parts used in aerospace and products related to consumer market. The Company converted into a public company w.e.f. May 07, 2026. The equity shares of the Company were listed on the National Stock Exchange and the Bombay Stock Exchange of India on December 10, 2025.

2. Material accounting policies:

a. Basis of preparation and presentation

(i) Compliance with Ind AS

These standalone financial statements (hereinafter referred to as the "financial statements") comply in all material aspects with Indian Accounting Standards ("IndAS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the financial statements and other relevant provisions of the Act. These policies have been consistently applied to all the years presented, unless otherwise stated.

(ii) The historical cost convention

The financial statements have been prepared on accrual basis under the historical cost convention, except as disclosed in the accounting policies below.

(iii) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(iv) Recent pronouncements

Standards/Specific amendments issued but not yet effective as at March 31, 2026 -

Ind AS 1, Presentation of Financial Statements – For accounting periods beginning on or after April 1, 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.
However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.
This amendment is to be applied retrospectively for annual reporting periods beginning on or after April 1, 2026, in accordance with Ind AS 8, Accounting Policies, Changes in accounting estimates and Errors.

(v) Functional and presentation currency

The financial statements of the Company are presented in Indian Rupees (INR / ₹), which is the functional currency of the Company and the presentation currency for the financial statements. All amounts disclosed in the financial statements have been rounded to the two decimal of nearest millions (Mn) as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amounts mentioned as "0.00" in the financial statements denote amounts rounded off being less than ₹ 0.005 Mn.

(vi) Accounting policy on earnings before finance costs, depreciation and amortization, share of net profit/(loss) of associate and joint ventures, exceptional items and tax

As permitted by the Guidance Note on Division II - Ind AS Schedule III to the Companies Act 2013, the Company has elected to present earnings before finance costs, depreciation and amortization, share of net profit/(loss) of associate and joint ventures, exceptional items and tax as a separate line item on the face of the Standalone Statement of Profit and Loss. The Company measures earnings before finance costs, depreciation and amortization, share of net profit/(loss) of associate and joint ventures, exceptional items and tax on the basis of profit/ (loss) from its operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items gain/ (loss) and income tax expenses.

b. Operating segment

Operating segment reflect the Company's management structure and the way the financial information is regularly reviewed by the Executive Chairman and Chief Executive Officer (the Company's Chief Operating Decision Maker (CODM)). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The Company's CODM is identified to be the Executive Chairman and Chief Executive Officer of the Company, who plans the allocation of resources and assess the performance of the segments.

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2. Material accounting policies (continued):

c. Foreign currency translation

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

For the purpose of presenting the financial statements, the assets and liabilities are expressed in using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

d. Revenue from contracts with customer

The Company earns its revenue from sale of manufactured goods and rendering of services. The Company has determined that it is a principal in all its arrangements

The Company recognises revenue when control of goods has transferred to customers and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Control of goods is considered to be transferred at a point-in-time when goods have been dispatched or delivered, as per the terms agreed with the customers.

Revenue from services is recognised in the period in which services are rendered.

The Company does not have any contracts where the period between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for time value of money.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. As a practical expedient, the Company has opted not to disclose the information in respect of performance obligations that are part of contracts that has an original expected duration of one year or less.

A contract asset is recognised when the Company gets the right to consideration in exchange for goods or services that it has transferred to the customers and the right is conditional upon acts other than passage of time. When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customers) is recognised.

e. Recognition of Other income - Interest income and Dividend income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from financial assets at amortized cost is recognized in the statement of profit and loss using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

f. Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognizes, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset.

g. Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate applicable adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets are reviewed at each reporting date.

Current and deferred tax is recognised in profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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2. Material accounting policies (continued):

h. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a Lessee

Leases are recognised as right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments to be made under reasonably certain extensions options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, as in the case of lease of buildings, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain the asset of similar value to the right of use as set in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising of the following:

- The amount of the initial measurement of lease liability,
- Any lease payments made on or before the commencement date less any lease incentives received,
- Any initial direct cost,
- Restoration cost

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Where the Company is reasonably certain to exercise the purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term lease of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

i. Impairment of assets

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment, intangible assets and right of use assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

j. Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

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2. Material accounting policies (continued):

k. Provisions and onerous contracts

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can reliably estimated. Provisions are not recognised for future operating losses. Provisions measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an expense.

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

l. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised at the transaction price initially as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost less loss allowance.

m. Inventories

Inventories include raw materials (including stores, spares and packing material), work in progress and finished goods. Inventories are stated at the lower of cost and net realizable value. Cost of raw materials comprises of cost of purchases, freight and other expenses incurred in bringing the raw materials to the manufacturing location, excluding rebates and discounts.

Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items on weighted average cost basis which is calculated on the basis of total cost of raw materials divided by the quantities purchased. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n. Investment and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments (not held for trading purpose), this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial assets.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other expenses and impairment expenses in other expenses.

(c) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

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2. Material accounting policies (continued):

n. Investment and other financial assets (continued)

(iv) Investments in equity instruments of subsidiaries, joint ventures and associates

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and Ind AS 28.

The management assesses the performance of these entities including the future projections, relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured the higher of
(i) 'fair value less cost of disposal' determined using market information, where available, and
(ii) 'value-in-use' estimates recoverable amounts determined using discounted cash flow projections, where available. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as revenue projections, EBITDA, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used, with required tax rates, are based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

(v) Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(vi) Derecognition of financial assets

A financial asset is derecognized only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

o. Property, plant and equipment

All items of property, plant and equipment are stated at historical cost or deemed cost applied on transition to Ind AS less depreciation. Capital work-in-progress is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items, net of refundable taxes. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in case of certain leased machineries, the shorter lease term as follows:

The estimated useful lives of assets are as follows:

Asset	Useful life (in years)
Leasehold improvements	10 or lease period, whichever is lower
Plant and machinery	1.5 to 10
Computer equipments	3 to 6
Furniture and fittings	1.5 to 5
Office and other equipment	1.5 to 5

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2. Material accounting policies (continued):

o. Property, plant and equipment (continued)

The useful lives have been determined based on technical evaluation done by the management which are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets in the course of development or construction are not depreciated.

p. Intangible assets

Intangible assets include Computer software and Technical knowhow. Costs associated with maintaining software programs are recognised as an expense as incurred. Technical knowhow comprises of capitalized product developed costs, being an internally generated intangible asset.

The Company amortizes intangible assets with finite useful life using the straight-line method over the following estimated useful lives:

Assets	Useful life (in years)
Computer software	2 - 10
Technical knowhow	5

q. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

r. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

t. Employee benefits

1. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance sheet.

2. Other long-term employee benefit obligations

Leave obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3. Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund and ESI.

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2. Material accounting policies (continued):

t. Employee benefits (continued)

(a) Defined benefit plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Company makes specified monthly contributions towards Employees Provident Fund Organisation and Employees State Insurance Corporation. Obligations for contributions to defined contribution plans are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

4. Share-based payments

Share-based compensation benefits are provided to employees through the Aequs Stock Option Plan. The fair value of options granted under the Aequs Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price), and
- including the impact of any service and non-market performance vesting conditions.

The total expense is recognised on an accelerate basis over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

u. Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the (i) amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles Ind AS 115. The income is presented as Other income in the statement of profit or loss. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of subsidiaries and associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investments.

Upon cancellation or termination of a financial guarantee contract, the related liability is derecognised when the Company is released from its obligation. Any unamortised balance is recognised immediately in the statement of profit and loss.

v. Contributed equity

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from securities premium.

w. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

• the profit/(loss) attributable to the equity holders of the Company.

• by the weighted average number of equity shares outstanding during the year, net of treasury shares

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2. Material accounting policies (continued):

w. Earnings per share (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

• the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

• the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x. Exceptional items

Exceptional items are material items of income or expenses that are disclosed separately due to the significance of their nature or amount, to provide further understanding of the financial performance of the Company.

y. Use of judgements and estimates

The preparation of financial statements in conformity with Ind AS requires estimates and judgements that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the financial statements and accompanying notes. Estimates are used for, but not limited to useful lives of property, plant and equipment and intangible assets, share-based compensation, defined benefit obligations, Impairment of investments in subsidiaries, associates and joint ventures and estimation of deferred tax expenses/benefits. Actual results could differ materially from these estimates.

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 7: investments accounted for using the equity method: whether the Company has significant influence over an investee;

Note 5: lease term: whether the Company is reasonably certain to exercise extension options.

(ii) Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period / year is included in the following notes:

Note 12: measurement of defined benefit obligations: key actuarial assumptions;

Note 25: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Notes 29: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 27: measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate.

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(All amounts are in INR millions, except share data, unless otherwise stated)

4 Property, Plant and Equipment

As at March 31, 2026

Particulars	Gross carrying amount						Accumulated depreciation				Net carrying amount as at March 31, 2026
	As at April 01, 2025	Additions	Disposals	Transfer from Right of Use asset	Exchange differences	As at March 31, 2026	As at April 01, 2025	Charge for the year	Disposals	Exchange differences	As at March 31, 2026	
Leasehold improvements	5.02	-	-	-	-	5.02	3.49	0.56	-	-	4.05	0.97
Plant and machinery	378.37	20.77	-	19.94	0.25	419.33	295.54	24.55	-	(1.09)	319.00	100.33
Computer equipment	46.70	12.18	-	-	-	58.88	35.17	5.69	-	-	40.86	18.02
Office equipment	17.24	0.97	-	-	-	18.21	13.32	1.13	-	-	14.45	3.76
Furniture and fittings	0.58	-	-	-	-	0.58	0.57	-	-	-	0.57	0.01
Total	**447.91**	**33.92**	-	**19.94**	**0.25**	**502.02**	**348.09**	**31.93**	-	**(1.09)**	**378.93**	**123.09**

As at March 31, 2025

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals	Transfer from Right of Use asset	Exchange differences	As at March 31, 2025	As at April 01, 2024	Charge for the year	Disposals	Exchange differences	As at March 31, 2025	
Leasehold improvements	5.02	-	-	-	-	5.02	2.96	0.53	-	-	3.49	1.53
Plant and machinery	355.06	7.57	(1.37)	14.59	2.52	378.37	273.51	22.56	(0.53)	-	295.54	82.83
Computer equipment	40.69	6.01	-	-	-	46.70	29.66	5.51	-	-	35.17	11.53
Office equipment	14.34	2.90	-	-	-	17.24	12.11	1.21	-	-	13.32	3.92
Furniture and fittings	0.58	-	-	-	-	0.58	0.57	-	-	-	0.57	0.01
Total	**415.69**	**16.48**	**(1.37)**	**14.59**	**2.52**	**447.91**	**318.81**	**29.81**	**(0.53)**	-	**348.09**	**99.82**

a. Refer to note no 13(i)(C)for information on property, plant and equipment pledged as security.

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4A (i) Right of use asset

The Company has entered into agreements with lessors for lease of building (factory premises) and plant and machinery. The lease term ranges from 6 to 10 years and incremental barrowing rate ranges from 11% - 11.82% p.a.

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2026
	As at April 01, 2025	Additions	Disposals/ Transfer to PPE	Exchange differences	As at March 31, 2026	As at April 01, 2025	Charge for the year	Disposals/ Transfer to PPE	Exchange differences	As at March 31, 2026	
Building	242.52	-	-	-	242.52	99.19	25.46	-	-	124.65	117.87
Plant and machinery	336.96	-	(89.25)	1.98	249.69	198.01	29.70	(69.30)	(0.02)	158.39	91.30
Total	**579.48**	-	**(89.25)**	**1.98**	**492.21**	**297.20**	**55.16**	**(69.30)**	(0.02)	**283.04**	**209.17**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals/ Transfer to PPE	Exchange differences	As at March 31, 2025	As at April 01, 2024	Charge for the year	Disposals/ Transfer to PPE	Exchange differences	As at March 31, 2025	
Building	242.52	-	-	-	242.52	73.73	25.46	-	-	99.19	143.33
Plant and machinery	402.41	-	(64.05)	(1.40)	336.96	209.60	37.87	(49.46)	-	198.01	138.95
Total	**644.93**	-	**(64.05)**	**(1.40)**	**579.48**	**283.33**	**63.33**	**(49.46)**	-	**297.20**	**282.28**

(ii) Company's lease liabilities, by maturity, are as follows:

Lease liability

Particulars	March 31, 2026	March 31, 2025
Current	62.93	66.79
Non-current	175.91	225.45
Total	**238.84**	**292.24**

Particulars	March 31, 2026	March 31, 2025
Less than one year	79.60	84.78
Between one and five years	167.03	207.78
After five years	48.02	70.99
Total minimum lease payments	**294.65**	**363.55**
Less: imputed interest	55.81	71.31
Present value of lease payments	**238.84**	**292.24**

(iii) The following are the other amounts recognized in respect of leases :

Particulars	March 31, 2026	March 31, 2025
Interest expense on lease liabilities	20.86	23.97
Expense relating to leases of low-value assets (included in other expenses)	0.82	0.76
Cash outflow for leases (principal and interest)	94.05	77.40

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5 Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount as at March 31, 2026
	As at April 01, 2025	Additions	Disposals	As at March 31, 2026	As at April 01, 2025	Charge for the year	Disposals	As at March 31, 2026	
Computer software	62.00	6.79	-	68.79	42.45	6.06	-	48.51	20.28
Technical knowhow	27.28	-	-	27.28	24.19	1.35	-	25.54	1.74
Total	**89.28**	**6.79**	-	**96.07**	**66.64**	**7.41**	-	**74.05**	**22.02**

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals	As at March 31, 2025	As at April 01, 2024	Charge for the year	Disposals	As at March 31, 2025	
Computer software	57.57	4.43	-	62.00	36.68	5.77	-	42.45	19.55
Technical knowhow	27.28	-	-	27.28	20.97	3.22	-	24.19	3.09
Total	**84.85**	**4.43**	-	**89.28**	**57.65**	**8.98**	-	**66.64**	**22.64**

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(All amounts are in INR millions, except share data, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
6 Investments in subsidiaries, associates and joint ventures		
(A) Investment in equity instruments of subsidiaries at cost, unquoted, fully paid-up		
55,009,249 (March 31, 2025: 55,009,249) equity shares of ₹10 each fully paid-up in Aerospace Manufacturing Holdings Private Limited. Refer Note (iii)	758.62	758.62
56,632,187 (March 31, 2025: 48,642,437) equity shares of ₹10 each fully paid-up in AeroStructures Manufacturing India Private Limited. Refer Note (i) &(ii)	4,265.57	1,915.39
23,228,258 (March 31, 2025: 10,840,000) equity shares of Euro 1 each fully paid-up in Aequs Aerospace BV. Refer note (ii) (iii) & (iv)	2,152.67	799.83
95% (March 31, 2025: 95%) common stock in Aequs Oil & Gas LLC. Refer note (ii) &(iii)	822.95	823.59
28,860,801 (March 31, 2025: 28,860,801) equity shares of ₹10 each fully paid-up in Aerostructures Assemblies India Private Limited. Refer note (i), (ii) &(iii)	244.63	241.88
212,615,317 (March 31, 2025: 176,615,317) equity shares of ₹10 each fully paid-up in Aequs Engineered Plastics Private Limited. Refer note (ii) &(iii)	2,265.15	1,904.80
106,188,991 (March 31, 2025: 85,474,802) equity shares of ₹10 each fully paid-up in Aequs Consumer Products Private Limited. Refer Note (i) &(ii)	6,909.25	3,520.26
134,959,799 (March 31, 2025: 125,959,799) equity shares of ₹10 each fully paid-up in Aequs Toys Private Limited. Refer note (i), (ii) &(iii)	1,716.49	1,485.12
157,545,087 (March 31, 2025: 157,545,087) equity shares of ₹10 each fully paid-up in Aequs Force Consumer Products Private Limited. Refer Note (i) &(iii)	1,387.58	1,387.58
(B) Investment in equity instruments of joint ventures at cost, unquoted, fully paid-up		
8,444,923 (March 31, 2025: 8,444,923) equity shares of ₹10 each fully paid-up in Aerospace Processing India Private Limited. Refer note (i) &(ii)	96.05	95.84
83,711,087 (March 31, 2025: 83,711,087) equity shares of ₹10 each fully paid-up in SQuAD Forging India Private Limited. Refer note (i), (ii) &(iii)	789.09	787.87
4,150,000 (March 31, 2025: 4,150,000) equity shares of ₹10 each fully paid-up in Aequs Cookware Private Limited. Refer note (i) &(ii)	105.95	105.95
10,000 (March 31, 2025: Nil) equity shares of ₹10 each fully paid-up in Ajna Aerospace & Defence Private Limited. Refer note (ii)	1.00	-
(C) Investment in equity instruments of associate at cost, unquoted, fully paid-up		
1000 (March 31, 2025: Nil) equity shares of ₹ 10 each fully paid-up in Aequs Foundation	0.01	-
(D) Investment in seed compulsorily convertible preference shares (Seed CCPS) of joint ventures at cost, unquoted, fully paid-up		
991,000 (March 31, 2025: Nil) seed compulsorily convertible preference shares (Seed CCPS) of ₹10 each fully paid-up in Ajna Aerospace & Defence Private Limited. Refer note (ii)	99.10	-
(E) Other Investments at fair value through profit and loss		
20,325,300 (March 31, 2025: 20,325,300) Compulsorily Convertible Debentures (CCD) of INR 10 each in Aequs Force Consumer Products Private Limited. Refer note (iii)	207.32	207.32
Aggregate amount	**21,821.43**	**14,034.05**
Aggregate amount of impairment in value of investment.	(6,627.14)	(5,514.55)
Total non-current investments	**15,194.29**	**8,519.50**
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	21,821.43	14,034.05
Aggregate amount of impairment in the value of investments	(6,627.14)	(5,514.55)

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Aequs Limited

(All amounts are in INR millions, except share data, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
6 Investments in subsidiaries, associates and joint ventures (continued)		
i. Investment in the following entities includes fair value of financial guarantee extended		
Aerostructures Manufacturing India Private Limited	224.29	190.16
Aerostructures Assemblies India Private Limited	11.75	9.05
SQuAD Forging India Private Limited	41.23	40.33
Aequs Force Consumer Products Private Limited	8.06	9.80
Aequs Consumer Products Private Limited	554.90	442.56
Koppal Toys Molding COE Private Limited	106.50	106.50
Aequs Toys Private Limited	102.22	102.22
Aerospace Processing India Private Limited	6.32	6.32
Aequs Cookware Private Limited	64.29	64.29
	1,119.56	**971.23**

ii. Investment in the following entities includes share based compensation cost cross charged:		
Aerostructures Manufacturing India Private Limited	14.65	5.71
Aerostructures Assemblies India Private Limited	1.72	1.67
Aequs Aerospace BV	16.06	10.37
Aequs Toys Private limited	4.67	1.56
Aequs Consumer Products Private Limited	6.56	6.49
Aequs Oil and Gas LLC	0.95	1.59
Aequs Engineered Plastics Private Limited	(0.01)	(0.36)
	44.60	**28.51**

iii. Breakup of total impairment		
Aequs Oil and Gas LLC	823.59	823.59
SQuAD Forging India Private Limited	-	234.39
Aerospace Manufacturing Holdings Private Limited	758.62	758.62
Aequs Aerospace BV	2,142.00	795.02
Aequs Engineered Plastics Private Limited	969.52	969.52
Aequs Toys Private Limited	891.99	891.99
Aequs Force Consumer Products Private Limited	834.09	834.09
Aequs Force Consumer Products Private Limited - CCD	207.33	207.33
	6,627.14	**5,514.55**

iv. During the year ended March 31, 2026, outstanding loan and accrued interest thereon amounting to INR 1,346.98 has been converted into equity share capital.

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(All amounts are in INR millions, except share data, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
7 (i) Trade receivables (unsecured)		
Trade receivables from other than related parties (considered good)	198.61	153.94
Receivables from related parties (considered good) (Refer note 31)	49.98	18.34
Less: Loss allowance (refer note 27 for movement in loss allowance)	-	(0.84)
Total trade receivables	**248.59**	**171.44**

*Note: Refer note 13(i)(C) for information on lien/charge against trade receivables.

Ageing of trade receivables as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	180.90	58.15	1.24	-	6.04	2.26	248.59
Total	**180.90**	**58.15**	**1.24**	-	**6.04**	**2.26**	**248.59**
Less : Loss allowance	-	-	-		-	-	-
	180.90	**58.15**	**1.24**	-	**6.04**	**2.26**	**248.59**

Ageing of trade receivables as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	109.80	51.16	1.14	7.91	2.27	-	172.28
Total	**109.80**	**51.16**	**1.14**	**7.91**	**2.27**	-	**172.28**
Less : Loss allowance	-	-	-	(0.84)	-	-	(0.84)
	109.80	**51.16**	**1.14**	**7.07**	**2.27**	-	**171.44**

	As at March 31, 2026	As at March 31, 2025
(ii) Cash and cash equivalents		
Cash on hand	0.01	0.01
Balances with banks:		
- In current accounts	9.88	2.30
- Deposits with original maturity of 3 months or less	988.93	165.94
	998.82	**168.25**
(iii) Bank balances other than above		
Margin money deposits *	5.00	-
Deposits with original maturity of more than three months but less than 12 months	-	0.11
Earmarked balance with banks**	285.53	-
	290.53	**0.11**

Note:
*Margin money deposits are towards guarantees extended by banks.
**Earmarked balance includes INR 285.53 being amounts withheld from IPO proceeds

	As at March 31, 2026	As at March 31, 2025
7 (iv) Loans		
Non-current (unsecured)		
Loan to related party (refer note 31)	2,003.51	-
Less: Loss allowance	(9.96)	-
	1,993.55	-
Current (unsecured)		
Loan to related party (refer note 31)	-	1,617.97
Less: Loss allowance	-	(1,094.97)
	-	**523.00**
Break up of loans		
Loans considered good	1,993.55	523.00
Loans- credit impaired	9.96	1,094.97
Total	**2,003.51**	**1,617.97**
Less: Loss allowance	(9.96)	(1,094.97)
Total loans	**1,993.55**	**523.00**
Following loans were granted to related parties which are repayable on demand:		
Aggregate of loans/advances in nature of loan repayable on demand	1,993.55	523.00
Aggregate of loans/advances in nature of loan where agreement does not specify any terms or period of repayment	-	-
Percentage of loans/advances in nature of loan to the total loans	100.00%	100.00%

Aequs Limited

Note:
Unsecured loans have been granted to related parties for general corporate purposes, bearing interest at 12% per annum and repayable on demand.

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(All amounts are in INR millions, except share data, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
(v) Other financial assets		
(Unsecured, considered good unless otherwise specified)		
Non current		
Security deposits	26.43	25.22
	26.43	**25.22**
Current		
Recoverable from related parties (Refer note 31)	70.82	72.92
Unamortized financial guarantee expense	2.13	2.13
Other deposits	1.62	-
Less: Expected credit loss	(17.79)	(17.79)
	56.78	**57.26**
Expected credit loss includes		
Expected credit loss for recoverable from related party	(17.79)	(17.79)
7A Contract assets and contract liabilities		
Contract assets - Current	10.93	3.64
	10.93	**3.64**
Contract liabilities- Current		
Advance from customers	0.38	0.41
Unearned revenue	60.89	53.35
	61.27	**53.76**
Note:		
Revenue recognised that was included in contract liabilities balance as at the beginning of the period:		
-Sale of goods	53.35	-
8 Other assets		
Non current		
Capital advances	64.75	-
Prepaid expenses	5.16	6.61
Balance with statutory authorities	0.11	0.11
	70.02	**6.72**
Current		
Advance to suppliers	94.74	55.56
Advances to employees	0.01	0.13
Prepaid expenses	23.30	46.82
Sundry advances	-	0.01
	118.05	**102.52**
9 Inventories		
Raw materials [(Including goods in transit: ₹ 39.41 (March 31, 2025: ₹27.52)]	227.65	174.90
Work-in-progress	165.68	163.71
Finished goods	51.71	39.67
Stores and spares [includes goods in transit: ₹0.46 (March 31, 2025: ₹0.37)]	36.51	30.88
	481.55	409.16
Less: Provision for slow moving inventory	(36.92)	(36.42)
	444.63	**372.74**

Note:

a. For lien/charge against inventories refer note no 13(i)(C)

b. Write- down of inventories to net realizable value amounted to ₹ 25.18 (March 31, 2025: ₹20.21). These were recognized as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in Statement of Profit and Loss.

c. Provision for slow moving inventory includes provision in respect of:

Raw materials	(9.51)	(9.47)
Work-in-progress	(5.90)	(8.83)
Finished goods	(4.11)	-
Stores and spares	(17.40)	(18.12)
	(36.92)	**(36.42)**

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(All amounts are in INR millions, except share data, unless otherwise stated)

10 Equity share capital

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of ₹10 each	1,014,629,934	10,146.30	605,729,934	6,057.30
	1,014,629,934	**10,146.30**	**605,729,934**	**6,057.30**
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	670,665,635	6,706.66	581,828,940	5,818.29
	670,665,635	**6,706.66**	**581,828,940**	**5,818.29**

(i) Reconciliation of the number of shares and amount authorised at the beginning and at the end of the year :

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	**605,729,934**	**6,057.30**	**431,460,000**	**4,314.60**
Increase during the year	408,900,000	4,089.00	174,269,934	1,742.70
Outstanding at the end of the year	**1,014,629,934**	**10,146.30**	**605,729,934**	**6,057.30**

(ii) Issued, subscribed and fully paid up equity share capital	**March 31, 2026**	**March 31, 2025**
Issued, subscribed and fully paid up equity share capital	6,706.66	5,818.29
670,665,635 (March 31, 2025: 581,828,940) equity shares of ₹10/- each fully paid up		
Total issued, subscribed and fully paid-up equity share capital	**6,706.66**	**5,818.29**

(ii) Reconciliation of the number of shares Issued, subscribed and fully paid up and amount outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	581,828,940	5,818.29	424,759,003	4,247.59
Add: Shares issued for cash	88,836,695	888.37	-	-
Add: Shares allotted through the conversion of Compulsorily Convertible Preference Shares	-	-	157,069,937	1,570.70
Outstanding at the end of the year	**670,665,635**	**6,706.66**	**581,828,940**	**5,818.29**

Following are the details of allotment made during the year of equity shares with face value ₹10 each.

Details of Allotment	Date of Allotment	Number of shares allotted	Issue price in INR
Rights Issue	May 2, 2025	17,173,024	74.64
Private placement to ASOP Trust	July 8, 2025	3,000,000	74.64
Private placement to ASOP Trust	July 14, 2025	3,000,000	74.64
Private placement to SBI Optimal Equity Fund- Long Term	November 10, 2025	2,984,593	123.97
Private placement to SBI Emergent India Fund	November 10, 2025	5,081,874	123.97
Private placement to DSP India Fund - India Long / Short Strategy Fund with Cash Management Option	November 10, 2025	3,226,587	123.97
Private placement to Think India Opportunities Master Fund LP	November 10, 2025	322,659	123.97
Fresh Issue under IPO	December 8, 2025	53,870,967	124.00
Fresh Issue under IPO- Employee Quota	December 8, 2025	176,991	113.00

(iii) Terms and rights attached to equity shares

a. The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to his/its share of the paid-up equity share capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

(iv) Details of shares held by holding/ultimate holding company (i.e., parent of the Company) and/or their subsidiaries

	As at March 31, 2026		As at March 31, 2025	
Name of the shareholder	No. of shares	Amount	No. of shares	Amount
Aequs Manufacturing Investments Private Limited	290,708,225	2,907.08	272,189,936	2,721.90

(v) Details of share holders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Aequs Manufacturing Investments Private Limited	290,708,225	43.35%	272,189,936	46.78%
Melligeri Private Family Foundation	100,438,070	14.98%	106,261,570	18.26%
Amansa Investments Ltd	50,132,863	7.48%	48,235,541	8.29%

(vi) Details of shareholding of Promoters

	As at March 31, 2026			As at March 31, 2025		
Name of the Promoters	No. of shares	% of total number of shares	% of change during the year	No. of shares	% of total number of shares	% of change during the year
Aequs Manufacturing Investments Private Limited	290,708,225	43.35%	-3.44%	272,189,936	46.78%	-15.33%
Melligeri Private Family Foundation	100,438,070	14.98%	-3.28%	106,261,570	18.26%	-8.68%
Aravind Melligeri	1,000,000	0.15%	-0.02%	1,000,000	0.17%	0.08%

(vii)Aggregate number of shares issued for consideration other than cash

	As at March 31, 2026	As at March 31, 2025
	Number of equity shares	
Shares allotted through the conversion of Compulsorily Convertible Preference Shares	-	157,069,937

(viii) During the year ended March 31, 2025 the Company has converted 40,115,771 Compulsorily Convertible Preference Shares(CCPS) into 157,069,937 equity shares of ₹10 each fully paid up. Of these, 46,818,017 equity shares were issued at premium of ₹19.48 and 110,251,920 equity shares were issued at premium of ₹30.63 per share.

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(All amounts are in INR millions, except share data, unless otherwise stated)

10 Equity share capital (continued)

(ix) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 10B.

ESOP Trust was created for the welfare and benefit of employees and directors of the Company. The Board of Directors has approved the employee stock option plan of the Company. On October 25, 2013, July 25, 2016 , December 15, 2021, December 22, 2021, July 8, 2025 and July 14,2025 the trust purchased 5,500,000, 2,900,000, 3,000,000, 3,000,000,3,000,000 and 3,000,000 equity shares respectively of the Company using the proceeds from interest free loan of ₹670.00 obtained from the Company.

(x) There are no shares which are reserved for issuance and there are no securities issued/ outstanding which are convertible into equity shares, except ESOP.

10A Instruments entirely equity in nature

	As at March 31, 2026		As at March 31, 2025	
Preference Share Capital	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Authorised				
Compulsorily convertible preference shares of ₹10 each	-	-	408,900,000	4,089.00
	-	-	**408,900,000**	**4,089.00**
Issued, subscribed and fully paid up				
Compulsorily convertible preference shares of ₹10 each	-	-	407,115,771	4,071.16
Less: Converted to equity shares	-	-	(407,115,771)	(4,071.16)
	-	-	-	-

(i) Reconciliation of the number of shares and amount authorised at the beginning and at the end of the year :

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance outstanding at the beginning of the year	408,900,000	4,089.00	408,900,000	4,089.00
Converted to equity	(408,900,000)	(4,089.00)	-	-
Balance outstanding at the end of the year	-	-	**408,900,000**	**4,089.00**

(ii) Reconciliation of the number of shares issued, subscribed and fully paid up and amount outstanding at the beginning and at the end of the reporting year:

	March 31, 2026		March 31, 2025	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance outstanding at the beginning of the year	-	-	407,115,771	4,071.16
Less: Converted into equity shares	-	-	(407,115,771)	(4,071.16)
Balance outstanding at the end of the year	-	-	-	-

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10B. Stock option plan

Aequs Limited (formerly known as Aequs Private Limited) granted stock options to the employees of the Company and its subsidiaries.

ESOP scheme is administered through an ESOP Trust called as "Aequs Stock Option Plan Trust" ('ESOP Trust') that has been constituted on May 14, 2013. The object of the ESOP Trust is to manage schemes made available for the benefit of the employees. During the year ended March 31, 2025, four stock option plans viz., ESOP scheme 2013, ESOP scheme 2016, ESOP scheme 2020 and ESOP scheme 2022 were in existence. The Company has amended and consolidated the previous employee stock option plans as mentioned above to Aequs Employee Stock Option Plan 2025 (ESOP 2025) in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from April 01, 2025. Vesting under each of these schemes is subject to satisfaction of the presc\ribed vesting conditions viz., continuing employment, employee performance and certain performance conditions. These vesting conditions vary depending on the role and seniority of the employees.

The details of activity under the Aequs Employee Stock Option Plan 2025 (ESOP 2025) are summarised below :

Particulars	Exercise Price	Year ended March 31, 2026		Year ended March 31, 2025	
		Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of period	-	-	-	-	-
Add:					
Options transferred from the previous plans*	10 - 75	10,475,580	26.38	-	-
Options granted during the period	75	3,215,000	74.64	-	-
Less:					
Options exercised during the period	10 - 40	(1,992,313)	22.15	-	-
Options forfeited during the period	10 - 40	(1,251,374)	33.67	-	-
Options outstanding at the end of period	10 - 75	**10,446,893**	**41.10**	-	-
Option exercisable at the end of period	10 - 40	**2,321,952**	**25.89**	-	-
The weighted average remaining contractual life (years)		11.89			

Weighted average share price as on the date of exercise is ₹ 22.15 (previous year : ₹ 30.60/-)

The fair value of the employee stock options has been measured using the Black-Scholes formula. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans are as follows.

	March 31, 2026	March 31, 2025
Fair value at grant date	47.64-52.20	13.76- 15.38
Share price at grant date	105.00	30.60
Exercise price	74.64	30.60
Expected volatility (weighted-average)	12.41%-18.97%	16.38- 17.22%
Expected life (weighted-average) (years)	2.50-6.50	8.50-9.50
Expected dividends	0%	0%
Risk-free interest rate (based on government securities)	5.82%-6.23%	6.63 - 7.03%

ESOP Scheme 2013

On July 4, 2013, the Board of Directors approved the equity settled ESOP scheme 2013 for issue of stock options to the key employees, consultants and directors of the Company and its subsidiaries, joint ventures and associates. According to the ESOP scheme 2013, the employee selected by the ESOP committee from time to time will be entitled to 20,000 to 500,000 options, subject to satisfaction of the prescribed vesting conditions viz., continuing employment of 5 years, employee performance and certain performance conditions. The weighted average remaining contractual life is 8.74 years. The other relevant terms of the grant are as below:

The details of activity under the ESOP scheme 2013 are summarised below :

Particulars	Exercise price range	March 31, 2025	
		Number	Weighted average exercise price
Options outstanding at beginning of year	10 - 32	3,671,063	18.83
Add:			
Options granted during the year	10 - 32	500,000	30.60
Less:			
Options exercised during the year	10 - 32	(677,672)	13.24
Options forfeited during the year	10 - 32	(303,000)	17.26
Options outstanding at the end of year	**10 - 32**	**3,190,391**	**22.01**
Option exercisable at the end of year		**1,720,391**	

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13B. Stock option plan (continued)

ESOP Scheme 2016

The Board of Directors approved the Employee Share Option Plan 2016 structured to reward employees. Accordingly, the Parent Company has created 2,900,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain performance conditions. The weighted average remaining contractual life is 9.16 years.

The details of activity under the ESOP scheme 2016 are summarised below :

	March 31, 2025		
Particulars	**Exercise price range**	**Number**	**Weighted average exercise price**
Options outstanding at beginning of year	24 - 40	1,930,414	30.29
Add:			
Options granted during the year	24 - 40	425,000	36.60
Less:			
Options exercised during the year	24 - 40	(222,047)	26.97
Options forfeited during the year	24 - 40	-	-
Options outstanding at the end of year	**24 - 40**	**2,133,367**	**29.52**
Option exercisable at the end of year		**1,148,368**	

ESOP Scheme 2020

The Board of Directors approved the Employee Share Option Plan 2020 structured to reward employees. Accordingly, the Parent Company has created 3,000,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain performance conditions. The weighted average remaining contractual life is 12.88 years

The details of activity under the ESOP scheme 2020 are summarised below :

	March 31, 2025		
Particulars	**Exercise price range**	**Number**	**Weighted average exercise price**
Options outstanding at beginning of year	26 - 31	1,750,000	26.10
Add:			
Options granted during the year	26 - 31	1,215,000	30.60
Less:			
Options exercised during the year	26 - 31	(150,000)	26.10
Options forfeited during the year	26 - 31	(150,000)	30.60
Options outstanding at the end of year	**26 - 31**	**2,665,000**	**27.90**
Option exercisable at the end of year		**150,000**	

ESOP Scheme 2022

The Board of Directors approved the Employee Share Option Plan 2022 structured to reward employees. Accordingly, the Parent Company has created 6,000,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain performance conditions. The weighted average remaining contractual life is 12.87 years

The details of activity under the ESOP scheme 2022 are summarised below :

	March 31, 2025		
Particulars	**Exercise price range**	**Number**	**Weighted average exercise price**
Options outstanding at beginning of year	26 - 31	1,895,000	26.42
Add:			
Options granted during the year	26 - 31	903,821	30.60
Less:			
Options exercised during the year	26 - 31	(124,000)	26.10
Options forfeited during the year	26 - 31	(188,000)	27.27
Options outstanding at the end of year	26 - 31	**2,486,821**	**27.89**
Option exercisable at the end of year		**425,000**	

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11 Other equity

	As at March 31, 2026	As at March 31, 2025
(i) Retained earnings	(5,871.99)	(6,375.00)
(ii) Securities premium	18,366.49	9,806.79
(iii) Share options outstanding account	91.63	65.98
(iv) Treasury shares	(645.80)	(241.99)
(v) Other reserves	29.99	21.31
	11,970.32	3,277.09

Nature and purpose of reserves

a. Retained earnings

The cumulative gain or loss arising from the operations which is retained by the entity is recognised and accumulated under the heading of retained earnings. At the end of the year, the total profit / loss is transferred from the statement of profit and loss to retained earnings.

a. Securities premium

Securities premium is used to record the premium on issue of shares and is utilized in accordance with the provisions of the Act.

b. Share option outstanding account

The share options outstanding account is used to recognise the fair value of options issued to employees under Aequs Stock Option Plan. Refer note 10B.

c. Treasury shares

This represents the Company's own equity shares held by its ESOP Trust, which are recognized at cost and disclosed as a deduction from equity.

d. Other reserves

Other reserves includes fair value of financial guarantee given by Aequs SEZ Private Limited and any other adjustments as may be required under Ind AS.

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	As at March 31, 2026	As at March 31, 2025
12 Provision for employee benefits		
Non-current		
Provision for gratuity	28.97	19.68
	28.97	**19.68**
Current		
Provision for leave obligations	11.78	8.58
	11.78	**8.58**

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave. The amount of the provision is presented as current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Leave obligation not expected to settled within next 12 months	10.93	6.95

(ii) Defined contribution plans

The Company has defined contribution plans in the form of provident fund and Employees' State Insurance (ESI) for qualifying employees. The contributions are made to provident fund for employees at the rate of 12% of wages as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is INR 7.25 (March 31, 2025 : INR 5.42).

(iii) Defined benefit obligations

Gratuity

The Company provides for gratuity for employees in India. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn wages per month computed proportionately for 15 days multiplied for the number of years of service.

The gratuity plan is a funded plan and the Company makes contribution to recognised fund in India. The Company makes annual contribution for the Gratuity plan to an Insurance Company. Such contributions are recognised as plan assets. The Company make contribution to the planned assets based on the expected payout. Final liability is actuarially valued and recognised in the books as at the end of each year by the Company. Upon actuarial valuation at the year end, any resultant difference between the liability and fair value of the fund is recognised in the books of accounts as liability.

	As at March 31, 2026	As at March 31, 2025
(a) Total amount recognised in the statement of profit and loss account (note 19 and 24)		
Current service cost	3.42	4.80
Interest on defined benefit obligation	1.69	2.03
Past service cost	7.92	-
Total amount recognised in statement of profit or loss (A)	**13.03**	**6.83**
(b) Amounts recognised in other comprehensive income		
Actuarial (gains)/losses arising from changes in		
- return on plan assets	0.11	0.02
- demographic assumptions	0.39	0.82
- financial assumptions	(1.00)	0.53
- experience adjustments	(0.65)	(6.39)
Total amount recognised in other comprehensive income (B)	**(1.15)**	**(5.02)**
Total amount recognised in statement of profit and loss and other comprehensive income (A+B)	**11.88**	**1.81**
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	21.07	30.00
Current service cost	3.42	4.80
Past service cost	7.92	-
Interest cost	1.69	2.03
Benefits paid	(0.53)	(0.69)
Liabilities (transferred) / assumed	1.04	(10.03)
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions	0.39	0.82
- arising from changes in financial assumptions	(1.00)	0.53
- arising from changes in experience adjustments	(0.65)	(6.39)
Defined benefit obligation at the end of the year	**33.35**	**21.07**

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(All amounts are in INR millions, except share data, unless otherwise stated)

12 Provision for employee benefits (continued)

(d) Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**0.96**	**0.91**
Expected return on plan assets	0.15	0.07
Contributions	3.44	0.69
Benefit payments from plan assets	(0.53)	(0.69)
Actuarial gain/(loss) on plan assets	(0.10)	(0.02)
Fair value of plan assets at the end of the year	**3.92**	**0.96**
(e) Net (asset)/ liability:		
Present value of unfunded defined benefit obligation	33.35	21.07
Fair value of plan assets	(3.92)	(0.96)
Net defined benefit liability/(asset) recognized in balance sheet	**29.43**	**20.11**
(f) Classification		
Current liability	-	-
Non current liability	28.97	19.68
	28.97	**19.68**
(g) Investment details of plan assets		
Pooled asset with an insurance Company	3.92	0.96
Total	**3.92**	**0.96**
(h) Actual return on plan assets	0.10	0.05
(i) Expected contribution in next year	3.81	0.64

Actuarial assumptions

	As at March 31, 2026	As at March 31, 2025
Significant actuarial assumptions are as follows:		
Discount rate per annum	7.25%	7.00%
Salary escalation rate per annum	10.00%	10.00%
Other actuarial assumptions		
Expected return on plan assets	15%	7%
Attrition rate	0.00%-7.25% on a graduated scale.	0.00%-7.00% on a graduated scale.
Retirement age	58	58

Assumptions regarding mortality are based on published rates under the Indian Assured Lives Mortality (2012-14) table.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is as under:

Changes in assumption	As at March 31, 2026	As at March 31, 2025
Discount rate		
Defined benefit obligation (DBO) on decrease in 50 bps	35.41	22.53
Discount rate -50 basis points impact (%)	6.10%	6.65%
Defined benefit obligation (DBO) on increase in 50 bps	31.50	19.84
Discount rate −50 basis points impact (%)	-5.62%	-6.11%
Salary increase rate		
Defined benefit obligation (DBO) on decrease in 50 bps	31.82	19.94
Impact of decrease in 50 bps on DBO	-4.66%	-5.61%
Defined benefit obligation (DBO) on increase in 50 bps	35.00	22.41
Impact of increase in 50 bps on DBO	4.87%	6.05%

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The mortality and attrition does not have a significant impact on the liability hence are not considered as significant actuarial assumption for the purpose of sensitivity analysis.

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12 Provision for employee benefits (continued)

Maturity profile of the defined benefit obligations:

Expected future cashflows [Undiscounted]	**As at March 31, 2026**	**As at March 31, 2025**
Less than one year	1.95	0.64
Between one and five year	8.24	5.03
After five year	81.28	53.41
Total	**91.47**	**59.08**
Weighted average duration of defined benefit obligation in years	11.70	12.74

Risk exposure

Through its defined benefit plans, the Company is exposed to number of risks, the most significant of which are detailed below:

(i) Market risk (discount rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(ii) Longevity risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

(iii) Annual risk

Salary increase assumption

Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

Attrition/withdrawal assumption

If actual withdrawal rates are higher than assumed withdrawal rate assumption, then the benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

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		As at March 31, 2026	As at March 31, 2025
13	**Financial liabilities**		
	(i) Borrowings		
	Current:		
	Working capital facilities from banks (secured)	114.53	223.59
	Interest accrued but not due on borrowings	0.61	0.97
		115.14	**224.56**

Notes:

(A) Details of security and terms of repayment

Working capital facilities: HDFC Bank	**114.53**	**223.59**
Working capital facilities taken by the Company includes Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC) - Hypothecation of stock meant for export and book debts; further collaterally secured by charge on existing unincumbered plant and machinery and parcel of land owned by Aequs SEZ Private Limited, - Corporate guarantee provided by Aequs SEZ Private Limited. Rate of Interest: CC and EPC:3 month repo+2.50% p.a. PCFC:SOFR+200bps p.a.		

(B) Details of Quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2026

For year ended March 2026

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-25	HDFC Bank	Inventories	333.36	336.00	(2.64)	Refer below note a
		Trade Receivables	172.24	176.00	(3.76)	Refer below note b
		Trade Payables	203.82	201.00	2.82	Refer below note b
Sep-25		Inventories	376.91	377.00	(0.09)	Refer below note a
		Trade Receivables	177.52	178.00	(0.48)	Refer below note b
		Trade Payables	266.33	266.00	0.33	Refer below note b
Dec-25		Inventories	401.13	401.00	0.13	Refer below note a
		Trade Receivables	206.18	206.00	0.18	Refer below note b
		Trade Payables	836.44	747.00	89.44	Refer below note b
Mar-26		Inventories	444.63	421.00	23.63	Refer below note a
		Trade Receivables	248.59	249.00	(0.41)	Refer below note b
		Trade Payables	320.13	296.00	24.13	Refer below note b

Note:

(a) Valuation related adjustments and provision for slow moving inventory recorded after submission of data to the bank.

(b) Differences are due to adjustments made post submission of the statement to the bank.

For year ended March 2025

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Mar-25	HDFC Bank	Inventories	372.74	378.00	(5.26)	Refer Note a
		Trade Receivables	171.44	172.00	(0.56)	Refer Note b

Notes:

(a) Valuation related adjustments and provision for slow moving inventory recorded after submission of data to the bank.

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(C) Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Current	As at March 31, 2026	As at March 31, 2025
A. Financial assets:		
- Trade receivables	248.59	171.44
B. Non financial assets:		
- Inventories	444.63	372.74
Total current assets pledged as security	**693.22**	**544.18**
Non current		
A. Non financial assets:		
- Property, plant and equipment	100.33	82.83
Total Non-current assets pledged as security	**100.33**	**82.83**
Total assets pledged as security	**793.55**	**627.01**

(D)Net debt reconciliation:

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	998.82	168.25
Bank balances other than above	290.53	0.11
Current borrowings	(115.14)	(224.56)
Lease liabilities	(238.84)	(292.24)
Net debt	**935.37**	**(348.44)**

Particulars	Cash and cash equivalents and other bank balances	Liabilities from financing activities		Total
		Current borrowings	Lease obligations	
Net debt as at March 31, 2024	**1,899.19**	**(218.69)**	**(347.39)**	**1,333.11**
Interest expense	-	(17.72)	(23.97)	(41.69)
Interest paid	-	17.72	23.97	41.69
Repayments of long-term leases and borrowings	-	-	53.43	53.43
Cashflows (net)	(1,730.83)	(7.94)	-	(1,738.77)
Foreign exchange adjustments	-	2.07	1.72	3.79
Other non-cash adjustments	-	-	-	-
Net debt as at March 31, 2025	**168.36**	**(224.56)**	**(292.24)**	**(348.44)**
Interest expense	-	(13.65)	(20.86)	(34.51)
Interest paid	-	14.00	20.86	34.86
Repayments of long-term leases and borrowings	-	-	73.19	73.19
Cashflows (net)	1,120.99	113.37	-	1,234.36
Foreign exchange adjustments	-	(4.30)	(19.79)	(24.09)
Other non-cash adjustments	-	-	-	-
Net debt as at March 31, 2026	**1,289.35**	**(115.14)**	**(238.84)**	**935.37**

	As at March 31, 2026	As at March 31, 2025
(ii) Trade payables		
Current:		
Dues to micro and small enterprises	3.66	7.59
	3.66	**7.59**
Due to other than micro and small enterprises		
- Dues to related parties (Refer note 31)	64.48	10.36
- Other trade payables	251.99	218.30
	316.47	**228.66**
	320.13	**236.25**

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(All amounts are in INR millions, except share data, unless otherwise stated)

Aging of trade payables as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME	3.49	0.17	-	-	-	3.66
(ii) Undisputed dues -Others	76.22	69.61	0.01	0.03	1.19	147.06
(v) Unbilled	169.41	-	-	-	-	169.41
Total	**249.12**	**69.78**	**0.01**	**0.03**	**1.19**	**320.13**

Aging of trade payables as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME	3.31	4.28	-	-	-	7.59
(ii) Undisputed dues -Others	19.52	83.56	1.92	1.24	0.13	106.38
(v) Unbilled	122.28	-	-	-	-	122.28
Total	**145.12**	**87.84**	**1.92**	**1.24**	**0.13**	**236.25**

Dues to micro and small enterprises

The information as required under MSMED Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

		As at March 31, 2026	As at March 31, 2025
(i)	Principal amount due to the suppliers registered under MSMED Act and remaining unpaid at the end of each accounting year;	3.66	8.16
(ii)	Interest due to suppliers registered under MSMED Act and remaining unpaid as at the end of each accounting year	-	0.29
(iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.*	14.40	20.65
(iv)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.*	-	-
(v)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	0.33	0.47
(vi)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED Act, 2006	-	0.24
(vii)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 Further due and remaining for the earlier years.	-	-

	As at March 31, 2026	As at March 31, 2025
(iii) Other financial liabilities		
Non current:		
Guarantee liability (Refer note 31)	326.77	464.25
	326.77	**464.25**
Current:		
Capital creditors	7.24	2.86
Guarantee liability (Refer note 31)	72.05	92.98
Employees related liability	29.82	19.75
Dues to related parties	6.66	1.43
	115.77	**117.02**
14 Other liabilities		
Current:		
Statutory dues payable	72.52	2.86
	72.52	**2.86**

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Aequs Limited ★

(All amounts are in INR millions, except share data, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
15 Revenue from operations		
Revenue from contracts with customers		
Sale of manufactured goods	1,198.49	881.09
Sale of services	34.04	30.56
	1,232.53	**911.65**
Other operating income		
Sale of scrap	6.05	10.74
	6.05	**10.74**
	1,238.58	**922.39**

Notes:

	Year ended March 31, 2026	Year ended March 31, 2025
(i) Aggregate amount of transaction price allocated towards performance obligations unfulfilled as at reporting d	60.89	53.35

(ii). Trade receivables are non-interest bearing and generally carry credit period of 0 to 60 days.

(iii) Revenues from major customers are as follows:

Customer	Year ended March 31, 2026		Year ended March 31, 2025	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	516.32	43.08%	345.44	37.32%
Customer 2	236.58	19.74%	184.56	19.94%

	Year ended March 31, 2026	Year ended March 31, 2025
16 Other income		
Liabilities no longer required written back	3.74	0.23
Net gain on disposal of property, plant and equipment	-	0.01
Interest income	208.33	16.08
Gain on mutual funds	-	23.44
Unwinding of discount on security deposit	1.20	1.12
Financial guarantee income	306.74	121.98
Exchange difference (other than on borrowings)	25.33	32.86
	545.34	**195.72**
17 Cost of materials consumed		
Raw material consumed		
Opening stock	174.90	94.05
Less: Provision for slow moving inventory	(9.47)	(7.16)
Add: Purchases during the year	595.84	434.38
Less: Closing stock	227.65	174.90
Less: Provision for slow moving inventory	(9.51)	(9.47)
Cost of raw materials consumed	**543.13**	**355.84**
18 Change in inventories of work-in-progress and finished goods		
Inventory at the end of the year (a)		
Work-in-progress	165.68	163.71
Finished goods	51.71	39.67
	217.39	**203.38**
Inventory at the beginning of the year (b)		
Work-in-progress	163.71	139.03
Finished goods	39.67	58.83
	203.38	**197.86**
Less: Movement in provision for slow moving inventory (c)	**1.14**	**4.90**
Change in inventories of work -in-progress and finished goods (a-b-c)	**(12.87)**	**(0.62)**
19 Employee benefit expenses		
Salaries, wages and bonus	170.96	115.25
Contribution to provident and other funds	7.25	5.42
Employee stock option expense (refer notes 10B and note 31)	31.17	5.05
Leave compensation	4.28	(4.58)
Gratuity (refer note 12)	5.11	6.83
Staff welfare expenses	17.41	10.36
	236.18	**138.33**

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(All amounts are in INR millions, except share data, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
20 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 4)	31.93	29.81
Depreciation on right to use assets (refer note 4A)	55.16	63.33
Amortisation of intangible assets (refer note 5)	7.41	8.98
	94.50	**102.12**
21 Other expenses		
Consumption of stores and spare parts	100.06	76.25
Subcontracting expenses	117.46	81.29
Insurance	25.57	9.83
Power and fuel	25.45	28.20
Repair and maintenance		
Machinery	17.76	17.81
Building	1.21	0.34
Others	60.77	50.14
Legal and professional fees	45.26	17.48
Payment to auditors (refer note below)	2.00	2.00
Rental charges	0.82	0.75
Printing and stationery	1.46	1.32
Freight & forwarding	18.66	9.35
Rates and taxes	2.96	10.06
Travelling and conveyance	12.88	11.18
Communication	7.23	6.26
Advertising and sales promotion	18.54	12.88
Bank charges	2.40	11.85
Miscellaneous expenses	1.87	2.58
	462.36	**349.57**
Note		
Payments to auditors		
-Audit fee	2.00	2.00
	2.00	**2.00**

Eligible expenses relating to IPO have been debited to securities premium.

	Year ended March 31, 2026	Year ended March 31, 2025
22 Finance cost		
Interest expense on working capital borrowings	13.65	16.95
Interest expense on term loan	-	0.24
Interest expense -others	14.87	0.77
Interest expense on lease liabilities	20.86	23.97
Loan processing charges	0.13	-
Financial guarantee expense (Refer note 31)	4.50	5.08
Exchange differences (on borrowings)	34.52	5.63
	88.53	**52.64**

23 Corporate social responsibility ("CSR")

Based on applicable thresholds, the Company was not required to make any CSR contributions during the year ended March 31, 2026 and March 31, 2025. Hence, the details with respect to CSR have not been disclosed.

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(All amounts are in INR millions, except share data, unless otherwise stated)

		Year ended March 31, 2026	Year ended March 31, 2025
24	**Exceptional items**		
	Impairment loss on investment in subsidiaries [refer note (i)]	-	833.42
	Reversal of impairment loss on investment in joint venture [refer note(ii)]	(234.39)	-
	Impairment loss / (gain) on receivable from related parties [refer note (iii)]	-	(8.50)
	Share capital issuance charges [refer note (iv)]	39.02	-
	Statutory impact of new Labour Codes [refer note (v)]	7.92	-
		(187.45)	**824.92**

Note:

(i) The Company had recognized impairment loss on investment in the following entities considering diminution in value of respective investments

	March 31, 2026	March 31, 2025
Aequs Toys Private Limited(ATPL)	-	184.62
Aequs Force Consumer Products Private Limited(AFCPL)	-	648.80
	-	**833.42**

(ii) The Company has reversed the impairment loss previously recognised on investment in its joint venture, SQuAD Forging India Private Limited considering the improved performance and business.

(iii) The Company has reversed an impairment loss previously recognised against its receivables in Aequs End Solutions Private Limited upon actual recovery.

(iv) During the year ended March 31, 2026, the Company has incurred ₹ 476.22 Mn towards Initial Public Offer ('IPO') expenses including Pre-IPO. Of this, ₹ 39.02 Mn has been expensed off to the Consolidated Statement of Profit and Loss as an exceptional loss and the balance ₹ 437.20 Mn has been reduced from Securities Premium as cost of fresh issue.

(v) On November 21, 2025, the Government of India notified the four Labour Codes - The Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour and Employment published Central Rules and FAQs to enable assessment of the financial impact due to the changes in regulations. The Company has assessed and disclosed the incremental impact of these changes on the basis of actuarial opinion obtained and the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact under 'Exceptional items' in the Consolidated Statement of Profit and Loss. The incremental impact on gratuity of ₹ 7.92 Mn primarily arising due to change in wage definition.

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25 Tax expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax		
Current tax on profits for the year	49.11	-
Total current tax expense (A)	49.11	-
Deferred tax		
MAT credit entitlement	(25.94)	-
Deferred tax expense for the year	39.13	35.27
Total deferred tax expense (B)	**13.19**	**35.27**
Income tax expense/ (benefit) (A+B)	**62.30**	**35.27**

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate :

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Tax expense under general provision of Income Tax		
Profit/(loss) before income tax expense	560.29	(705.51)
Tax rate	27.82%	27.82%
Tax at the above rate	**155.87**	**(196.27)**
Tax impact due to permanent difference	40.20	32.24
Tax impact on income not chargeable to tax	(85.34)	(34.25)
Tax impact of business loss and other items on which no deferred tax has been recognized	(48.43)	-
Deferred tax not recognised on the impairment of financial assets	-	233.55
Total tax expense	**62.30**	**35.27**

The Company has not recognised the deferred tax asset in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off.

Tax losses for which no deferred tax asset was recognised expire as follows

	Year ended March 31, 2026	Expiry date	Year ended March 31, 2025	Expiry date
Expire	87.35	2029-30	-	-
Never expire	-	-	261.68	-

Deferred tax:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(3.86)	(10.62)
Right-of-use assets	(32.79)	(39.78)
	(36.65)	**(50.40)**
Deferred tax assets		
Tax losses carried forward	24.30	72.83
Lease liabilities	48.40	52.73
Inventories	10.27	10.13
Others	31.07	31.38
MAT credit entitlement	27.13	-
	141.17	**167.07**
Deferred tax assets (net)	**104.52**	**116.67**

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(All amounts are in INR millions, except share data, unless otherwise stated)

CIN : L80302KA2000PLC026760

25 Tax expense (Continued)

Deferred tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(3.86)	(10.62)
Right-of-use assets	(32.79)	(39.78)
	(36.65)	**(50.40)**
Deferred tax assets		
Tax losses carried forward	24.30	72.83
MAT credit entitlement	27.13	-
Lease liabilities	48.40	52.73
Inventories	10.27	10.13
Others	31.07	31.38
	141.17	**167.08**
Deferred tax assets (net)	**104.52**	**116.68**

Deferred tax asset/ (liabilities)

(a) Movement in deferred tax balances for the year ended March 31, 2026

Deferred tax asset/ (liabilities)	Balance as at April 1, 2025	Recognized in profit or loss	MAT credit utilisation	As at March 31, 2026		
				Deferred tax asset	Deferred tax liability	Net
Deferred tax asset/ (liabilities)						
Property, plant and equipment and intangible assets	(10.62)	6.76	-	-	(3.86)	(3.86)
Right-of-use assets	(39.78)	6.99	-	-	(32.79)	(32.79)
Tax losses carried forward	72.83	(48.53)	-	24.30	-	24.30
MAT credit entitlement	-	-	27.13	27.13	-	27.13
Lease liabilities	52.73	(4.33)	-	48.40	-	48.40
Inventories	10.13	0.14	-	10.27	-	10.27
Others	31.38	(0.31)	-	31.07	-	31.07
Net deferred tax asset/ (liabilities)	**116.68**	**(39.28)**	**27.13**	**141.17**	**(36.65)**	**104.52**

(b) Movement in deferred tax balances for the year ended March 31, 2025

Deferred tax asset/ (liabilities)	Balance as at April 1, 2024	Recognized in profit or loss	MAT credit utilisation	As at March 31, 2025		
				Deferred tax asset	Deferred tax liability	Net
Deferred tax asset/ (liabilities)						
Property, plant and equipment and intangible assets	9.43	(20.05)		-	(10.62)	(10.62)
Right-of-use assets	(100.43)	60.65		-	(39.78)	(39.78)
Tax losses carried forward	122.32	(49.49)		72.83	-	72.83
MAT credit entitlement	-	-	-	-	-	-
Lease liabilities	57.76	(5.03)		52.73	-	52.73
Inventories	7.79	2.34		10.13	-	10.13
Others	54.90	(23.51)		31.39	-	31.38
Net deferred tax asset/ (liabilities)	**151.78**	**(35.09)**	-	**167.09**	**(50.40)**	**116.68**

The tax impact for the above purpose has been arrived at by applying tax rate of 27.82% (March 31, 2025 : 27.82%) being the substantively enacted prevailing tax rate for the Company under Income the Tax Act.

(a) Transfer pricing:

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 (effective April 1, 2001), detailed Transfer Pricing Regulations (the regulations) for computing the taxable income and expenditure from 'international transactions 'between 'associated enterprises' on an arm's length' basis. Further, the Finance Act, 2012 has widened the ambit of transfer pricing provisions to cover specified domestic transactions. The regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an accountant within the due date of filing the return of income.

For the year ended March 31, 2025, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the accountant has been obtained which does not envisage any tax liability. For the year ended March 31, 2026, the Company would be carrying out a study to comply with transfer pricing regulations for which the prescribed certificate of accountant will be obtained. In the opinion of management, no adjustment is expected to arise based on completion of Transfer Pricing Study.

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(All amounts are in INR millions, except share data, unless otherwise stated)

26 Fair value measurement

Financial instruments by category

	Fair value hierarchy	Classification	As at March 31, 2026	As at March 31, 2025
Financial assets				
Loans	-	Amortised cost	1,993.55	523.00
Trade receivables	-	Amortised cost	248.59	171.44
Cash and cash equivalents and other bank balances	-	Amortised cost	998.82	168.25
Bank balances other than above	-	Amortised cost	290.53	0.11
Other financial assets	-	Amortised cost	83.21	82.48
Total financial assets			**3,614.70**	**945.28**
Financial liabilities				
Borrowings	-	Amortised cost	115.14	224.56
Lease liabilities	-	Amortised cost	238.84	292.24
Trade payables	-	Amortised cost	320.13	236.25
Other financial liabilities	-	Amortised cost	442.54	581.27
Total financial liabilities			**1,116.65**	**1,334.32**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value.

(b) recognised and measured at amortised cost and for which fair values are disclosed in the standalone financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (derivative mainly forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of loans, trade receivables, cash and cash equivalents and other bank balances, bank balance other than above, other financial assets, borrowings, lease liability, trade payables, and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for interest free security deposits were calculated based on cash flows discounted using a risk free rate of interest.

The lease liabilities are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, as in the case of lease of buildings, the Company's incremental borrowing rate is used.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to fair values.

(iii) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation technique. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

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27 Financial risk management

The Company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The Company's senior management under the supervision of the Board of Directors and its Risk Management Committee has the overall responsibility for establishing and governing the Company's risk management and have established policies to identify and analyse the risks faced by the Company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assesses for the impact on the financial performance. The below table broadly summarises the sources of financial risk to which the entity is exposed to and how the entity manages the risk.

A. Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a financial instruments leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers including outstanding receivables, other receivables and loans and deposits.

(i) Credit risk management

Credit risk is a risk where the counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers including outstanding receivables, other receivables and loans and deposits.

(ii) Provision for expected credit losses.

The Company's financial assets mainly comprise of loans & lease deposits, deposits with bank, trade receivables, investments. The assessment of ECL is done as follows:

1) Deposits :

Deposits comprises of mainly refundable security deposits made on buildings (leased premises). Deposits have negligible or nil risk based on past history of defaults and reasonable forward looking information. Hence, no provision for expected credit losses are made in the financial statements.

2) Deposits with bank :

They are considered to be having negligible risk or nil risk, as they are maintained with banks having strong credit ratings and the period of such deposits is generally not exceeding one year.

3) Trade receivables and other dues from related parties

No significant expected credit loss provision has been created for trade receivables and other dues from related parties. Further, receivables and dues are expected to be collected considering the past trend of very limited defaults and that the balances are not significantly aged. Full provision is made for balances that management believes are credit impaired.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

Reconciliation of loss allowance provision - Trade receivables

Particulars	Amount
As at March 31, 2024	(0.02)
Charged to profit and loss	0.82
Utilisation/ reversal in loss allowance	0.04
As at March 31, 2025	**(0.84)**
Charged to profit and loss	(0.75)
Utilisation/ reversal in loss allowance	1.59
As at March 31, 2026	-

B. Liquidity risk

Liquidity risk is a risk where an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability of required funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
A. Expiring within one year	28.73	26.41
B. Expiring beyond one year	-	-
	28.73	**26.41**

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2026				
Borrowings	115.14	-	-	115.14
Trade payables	320.13	-	-	320.13
Lease liabilities (actual lease rentals)	79.60	167.03	48.02	294.65
Other financial liabilities	115.77	254.55	72.22	442.54
Total financial liabilities	**630.64**	**421.58**	**120.24**	**1,172.46**

Contractual maturities of financial liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2025				
Borrowings	224.56	-	-	224.56
Trade payables	236.25	-	-	236.25
Lease liabilities (actual lease rentals)	84.78	207.78	70.99	363.55
Other financial liability	24.04	-	-	24.04
Total financial liabilities	**569.63**	**207.78**	**70.99**	**848.40**

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27 Financial risk management (continued)

C. Market risk

Market risk is a risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The Company primarily imports materials which are denominated in foreign currency which exposes it to foreign currency risk. The Company has a natural hedge in terms of its receivables and payables being in USD and Euro. Further, any additional exposure is continuously monitored and hedging options like forward contracts are taken whenever they are expected to be cost effective.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows as at March 31, 2026

	GBP	USD	EUR
Financial asset			
Trade receivable	-	200.52	32.80
Loans (unsecured)	-	-	-
Other financial assets	-	-	0.18
Net exposure to foreign currency risk (assets)	-	**200.52**	**32.98**
Financial liability			
Trade payables	10.45	150.58	8.53
Borrowings	-	153.87	-
Lease liabilities	-	-	90.26
Other financial liabilities	-	0.56	-
Net exposure to foreign currency risk	**10.45**	**305.01**	**98.79**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows as at March 31, 2025

	GBP	USD	EUR
Financial asset			
Trade receivable	-	160.69	0.01
Loans (unsecured)	-	-	1,086.69
Other financial assets	-	-	0.18
Other assets	14.25	35.99	1.48
Net exposure to foreign currency risk (assets)	**14.25**	**196.68**	**1,088.35**
Financial a liability			
Trade payables	12.34	105.87	14.77
Borrowings	-	153.87	-
Lease liabilities	-	-	120.61
Other financial liabilities	-	0.56	-
Net exposure to foreign currency risk	**12.34**	**260.30**	**135.38**

(b) Sensitivity

The sensitivity of profit or loss to changes in exchange rates arising from foreign currency denominated financial instruments is given below.

	Impact on profit after tax and equity	
	As at March 31, 2026	**As at March 31, 2025**
USD Sensitivity		
INR/USD - Increase by 5%	(3.70)	(2.30)
INR/USD - decrease by 5%	3.70	2.30
GBP Sensitivity		
INR/GBP - Increase by 5%	(0.37)	0.07
INR/GBP - decrease by 5%	0.37	(0.07)
EUR Sensitivity		
INR/EUR - Increase by 5%	2.33	(34.39)
INR/EUR - decrease by 5%	(2.33)	34.39

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(ii) Interest rate risk

(a) The exposure of Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2026	As at March 31, 2025
Variable rate borrowings	114.53	223.59
Fixed rate borrowings	238.84	293.21
Total borrowings	**353.37**	**516.80**

(b) Profit & loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Interest rates - increase by 50 basis points	0.41	0.81
Interest rates - decrease by 50 basis points	(0.41)	(0.81)

(iii) Price risk

Price risk is the risk of a decline in the value of a security or an investment portfolio. The Company is not significantly exposed to such risks, as it has not invested in any such securities.

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(All amounts are in INR millions, except share data, unless otherwise stated)

28 Capital management

For the purpose of Company's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other reserves attributable to the equity holders of the Company.

The Company's objectives when managing capital are to:

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
(ii) Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using gearing ratio and is measured by net debt (total borrowings net of cash and cash equivalents) to equity.

(i) Net debt to equity ratio

	As at March 31, 2026	As at March 31, 2025
Net debt (Refer note 13(i)(D)	935.37	(348.44)
Total equity	18,676.98	9,095.38
Net debt to equity ratio	0.05	(0.04)

29 Contingent liabilities

	As at March 31, 2026	As at March 31, 2025
Labour related matters (Refer note (i))	20.00	22.00
Tax matters	25.23	805.00

(i) A few cases have been filed against the Company in District Labour court, Belagavi. If the Labour Court passes an award against the Company, the probable compensation would amount to ₹20.00 (March 31, 2025: ₹24.80) . The Company is however confident of winning this case based on the counsel advice and hence the same is not provided in the standalone financial statements.

(ii) The Company has received demand order u/s 156 of the Income Tax Act, 1961 amounting to ₹25.23 (March 31, 2025: ₹25.23) for the FY 2016-17 (AY 2017-18) and has appealed the said order before Commissioner Appeals and the Company believes it has strong merits in its case.

(iii) The Company has received an order during the period / year ended March 31, 2022 under Section 143(3) of the Income Tax Act, 1961 relating to financial period / year 2017-18 (assessment period / year 2018-19) with a demand of ₹ 779.56. The Company had filed a writ petition with the Hon'ble High Court of Karnataka against the Order and the Company has received a favourable High court order in the current year whereby the assessment order raising demand has been set aside and the matter has been remanded back to AO for fresh assessment. Hence, the Company has reversed the contingent liability.

(iv) Income tax refund claimed by the Parent Company (pertaining from FY 18-19 to 24-25 amounting to ₹39.82) has been adjusted by Tax department against the outstanding demand. The said adjustment is not accepted by the Parent Company and is treated as payments made under protest.

(v) The Company has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company expects that the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements. Further, the Company has complied with the above judgement and has revised the wages of its employees with effect from April 01, 2019.

(vi) Refer Note 31(B) for Corporate guarantees given to third parties by the Company for loans taken by related parties of the Company.

(vii) It is not practicable to estimate for the Company to estimate the timing of cash outflows, if any, in respect of the above matters pending resolution of the above matters.

(viii) The Company does not expect any reimbursement in respect of the above contingent liabilities.

30 Commitments

(a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for.

Particulars	March 31, 2026	March 31, 2025
Property, plant and equipment	7.58	1.44
	7.58	**1.44**

(All amounts are in INR millions, except share data, unless otherwise stated)

31 Related Party Disclosures

Names of related parties and related party relationship

Relationship	Name of the related party
(i) Names of related parties where control exists:	
Ultimate Holding Company	: Aequs Inc, Cayman Islands (100% beneficially owned and controlled by the Melligeri Foundation) (up to December 10, 2025)
Holding Company	: Aequs Manufacturing Investments Private Limited, Mauritius (AMIPL) (up to December 10, 2025)
(ii) Related parties with whom transactions have taken place during the year	
Joint ventures	: Aerospace Processing India Private Limited, India (API)
	: SQuAD Forging India Private Limited, India ('SQuAD')
	: Aequs Cookware Private Limited, India (ACPL)
	: Ajna Aerospace & Defence Private Limited, India (AJNA) (w.e.f. March 6, 2026)
Subsidiaries	: AeroStructures Manufacturing India Private Limited, India (ASMIPL)
	: Aequs Aerospace BV, Netherlands (AABV)
	: Aerospace Manufacturing Holdings Private Limited, India (AMHPL)
	: Aequs Oil and Gas LLC, USA (AOGLLC)
	: Aequs Engineered Plastics Private Limited, India (AEPPL)
	: Aequs Force Consumer Products Private Limited, India (AFCPPL)
	: Aequs Consumer Products Private Limited, India (ACPPL)
	: Aequs Toys Private Limited, India (ATPL)
	: Aerostructures Assemblies India Private Limited, India (AAI)
	Subsidiary of ASMIPL
	: Aequs Aerospace LLC, USA ('AALLC')
	Subsidiary of Aequs Aerospace LLC, USA ('AALLC')
	: Aequs Aero Machine Inc, USA ('AAM')
	Subsidiary of AABV
	: Aequs Holdings France SAS, France ('AHF ')
	: Aequs Aerospace France SAS, France ('AAF SAS')
	Subsidiary of Aequs Engineered Plastics Private Limited ('AEPPL')
	: Aequs Toys Hong kong Private Limited, Hong Kong ('ATHKPL')
	Subsidiary of Aequs Consumer Products Private Limited
	: Aequs Home Appliances Private Limited, Inida (AHAPL) (Struck off w.e.f June 27, 2025)
	Subsidiaries of Aequs Toys Private Limited, India
	: Koppal Toys Molding COE Private Limited, India (KTMCPL)
	: Aequs Rajas Extrusion Private Limited, India (AREPL)
Associates	: Aequs Foundation, India (w.e.f. 27 March, 2026)
Directors/Key management personnel	: Mr. Rajeev Kaul, Co-Founder and Managing Director
	: Mr. Aravind S. Melligeri, Executive Chairman and Chief Executive Officer
	: Dr. Ajay Aravind Prabhu, Director
	: Dr. Eberhard Klaus Richter, Independent Director
	: Ms. Vidhya Sarathy, Independent Director (Appointed as an additional director w.e.f January 31, 2025 and Independent director w.e.f April 25, 2025)
	: Dr. Anup Wadhawan, Independent Director (w.e.f. April 25, 2025)
	: Mr. Dinesh Iyer, Chief Financial Officer
	: Mr. Ravi Mallikarjun Hugar, Company Secretary and Compliance Officer
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence	: Aequs Stock Option Plan Trust, India ('ESOP Trust')
	: Aequs SEZ Private Limited, India ('ASEZ')
	: Automotive End Solution Private Limited, India ('AESPL')
	: Industrial Knowledge Centre Private Limited, India ('IKC')
	: Hubballi Durable Goods Cluster Private Limited, India ('HDGCPL')
	: MFO IP Holdings Private Limited, Malta (MFO IP Holding)

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Aequs Limited

(All amounts are in INR millions, except share data, unless otherwise stated)

A. Transactions with related parties

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Subsidiaries		
AMHPL		
Expense incurred on behalf of related party	-	0.00
ASMIPL		
Investments in equity shares	2,307.12	
Purchase of goods and consumables	4.28	0.97
Sale of goods	0.43	0.02
Expense incurred on behalf of related party	1.38	0.13
Expense incurred by related party	5.54	8.75
Employee stock option expense cross charges	8.93	0.28
Interest income on loan given	13.20	-
Service rendered (Subcontracting service)	13.62	4.20
Fair value of financial guarantee issued	34.13	20.48
Unsecured loan given during the year	299.70	-
Financial guarantee income	37.60	29.36
Subcontracting expenses	-	0.07
ATPL		
Investments in equity shares	230.00	100.00
Expenses incurred by related party	0.54	0.82
Fair value of financial guarantee issued	-	29.38
Financial guarantee income	9.60	10.05
Employee stock option expense cross charges	5.28	0.51
Expense incurred on behalf of related party	-	0.01
Interest income on loan given	14.18	3.34
Unsecured loan given during the year	45.00	100.00
Impairment of investments	-	184.62
ACPPL		
Investments in equity shares	3,276.59	1,270.01
Expense incurred on behalf of related party	5.00	0.40
Expense incurred by related party	0.19	1.62
Fair value of financial guarantee issued/(reversed)	112.33	(41.63)
Employee stock option expense cross charges	0.07	2.44
Financial guarantee income	236.44	59.65
Unsecured loan given during the year	930.00	180.00
Interest income on loan given	83.40	0.44
Sale of assets	6.91	0.85

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(All amounts are in INR millions, except share data, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
AAI		
Expense incurred on behalf of related party	0.16	0.00
Fair value of financial guarantee issued	2.70	2.70
Employee stock option expense cross charges	-	0.57
Financial guarantee income	2.70	3.00
Cost of raw materials consumed	-	0.04
SubCon expenses	1.20	2.07
Expenses incurred by related party	0.64	0.33
AABV		
Conversion of loans to investment in equity shares	1,346.98	-
Employee stock option expense cross charges	5.87	2.74
Interest income on loan given	67.92	74.56
(Reversal) / Impairment of loan and interest thereon	(1,346.98)	0.83
Impairment of investment	1,346.98	-
AAM		
Purchase of goods and consumables	0.25	0.71
AAF Corp		
Expense incurred by related party	13.67	0.65
Subcontracting expenses	36.39	28.91
Sale of goods	27.76	-
AOGLLC		
Employee stock option expense cross charges	0.64	-
Impairment of investments	0.64	-
AEPPL		
Investments in equity shares	360.00	-
Employee stock option expense cross charges/(reverse)	0.35	(1.00)
Expenses incurred by related party	-	0.58
Expense incurred on behalf of related party	-	0.13
Service rendered	0.30	0.01
Unsecured loan given during the year	70.00	152.50
Interest income on loan given	22.90	5.56
Repayment of loan given	-	22.50
Purchase of asset	-	0.00
Sale of manufactured goods	0.00	0.00
AFCPPL		
Purchase of assets	-	0.01
Expense incurred on behalf of related party	0.00	0.15
Expenses incurred by related party	-	0.17
Investments in equity shares	-	50.00
Fair value of financial guarantee issued	-	1.26
Financial guarantee income	-	2.75
Interest income on loan given	10.05	2.81
Unsecured loan given during the year	30.00	70.00
Impairment of investments	-	648.80

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(All amounts are in INR millions, except share data, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
KTMPL		
Expense incurred on behalf of related party	-	0.00
Financial guarantee income	10.67	10.68
Unsecured loan given during the year	-	39.00
Interest income on loan given	4.68	0.97
Associates		
AF		
Impairment of investments (reversed)	-	0.00
Sale of Investment	-	0.00
Expense incurred on behalf of related party	-	0.32
Joint Ventures		
API		
Service Received (Subcontracting service)	29.97	14.67
Service Rendered	21.12	19.20
Expense incurred on behalf of related party	0.01	-
Cost of Material Consumed	0.69	-
Financial guarantee income	0.90	0.90
AREPL		
Expense incurred on behalf of related party	-	0.00
Interest income on loan given	0.89	0.83
Impairment of loan and interest thereon	0.89	0.83
SQuAD		
Expense incurred on behalf of related party	0.00	0.06
Service Rendered	-	10.80
Purchase of goods and consumables	83.95	42.53
Fair value of financial guarantee issued	0.90	0.90
Reversal impairment loss	234.39	-
Sale of manufactured goods	47.35	45.57
Sale of service (Subcontracting service)	11.88	-
Financial guarantee income	2.39	2.40
ACPL		
Investments in equity shares	-	41.50
Fair value of financial guarantee issued	-	64.29
Service Rendered	-	1.56
Financial guarantee income	6.43	3.20
AJNA		
Investments in equity shares	1.00	-
Investments in compulsorily convertible preference shares (CCPS)	99.10	-
Service Rendered	0.30	-

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Aequs Limited

(All amounts are in INR millions, except share data, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
Key Management Personnel		
Managerial remuneration paid (Refer note (a) below)		
Mr.Rajeev Kaul	17.97	18.36
Mr.Ravi Mallikarjun Hugar	7.80	7.23
Mr.Dinesh Iyer	17.34	17.02
Mrs. Vidhya Sarathy	2.50	0.42
Mr. Ajay Aravind Prabhu	-	1.45
Dr. Anup Wadhawan	4.50	-
Dr. Eberhard Klaus Richter	3.90	-
Short-term employee benefits	24.33	40.02
Post employee benefits	0.81	0.75
Share-based payment	0.91	3.72
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence		
ASEZ		
Service Received	81.44	49.17
Interest expense on lease liability	17.99	20.41
Repayment of lease liability	23.05	19.05
Expense incurred on behalf of related party	1.26	2.48
Expense incurred by related party	0.97	0.98
Fair value of financial guarantee received	4.50	4.50
Financial guarantee expense	4.50	5.08
AESPL		
Expenses incurred by related party	0.86	-
Repayment of dues from related parties	-	8.50
IKC		
Service Received	-	0.65
Expense incurred on behalf of related party	-	0.08
MFO IP Holding (Earlier name Aequs Limited, Malta)		
Services Received (Branding charges)	10.00	10.00

Note:

a. Out of the above remuneration to KMP, no amount has been cross charged to other group entities. Further, the remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

b. All transactions were made on normal commercial terms and conditions.

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(All amounts are in INR millions, except share data, unless otherwise stated)

B. Balance at the year end

Particulars	As at March 31, 2026	As at March 31, 2025
Subsidiaries		
AMHPL		
Investment in Equity shares	758.62	758.62
Dues from related party	0.55	0.55
Impairment of Investments	758.62	758.62
Impairment on dues from related parties	0.55	0.55
ASMIPL		
Investment in Equity shares	4,026.64	1,719.52
Fair value of financial guarantee issued	224.29	190.16
Fair value of ESOP cost	13.80	4.87
Dues to related party	2.83	0.26
Dues from related party	0.00	-
Trade payable	4.36	0.23
Trade receivable	0.65	1.46
Loan to related party	299.70	-
Interest accrued on loan given	11.88	-
ATPL		
Investment in Equity shares	1,501.36	1,273.10
Fair value of financial guarantee issued	102.22	102.22
Fair value of ESOP cost	4.67	1.56
Trade receivable	1.22	1.22
Dues from related party	6.06	6.06
Dues to related party	0.49	-
Impairment of Investments	891.99	891.99
Loan to related party	145.00	100.00
Interest accrued on loan given	12.79	1.02
AABV		
Investment in Equity shares	2,136.44	789.46
Fair value of ESOP cost	16.24	10.37
Impairment of Investments	2,142.00	795.02
Loan to related party including interest accrued & unrealised gain	-	1,085.86
Impairment of loan and interest thereon	-	1,085.86
ACPPL		
Investment in Equity shares	6,347.80	3,071.21
Fair value of financial guarantee issued	554.90	442.56
Fair value of ESOP cost	6.56	6.49
Dues from related party	22.95	22.95
Loan to related party	1,110.00	180.00
Interest accrued on loan given	50.97	0.44
AAI		
Investment in Equity shares	231.15	231.15
Fair value of financial guarantee issued	11.75	9.05
Fair value of ESOP cost	1.72	1.67
Dues from related party	0.00	-
Trade payable	-	0.35
Dues to related party	0.54	0.04

Aequs Limited

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(All amounts are in INR millions, except share data, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
AAM		
Trade payable	11.58	1.13
Dues to related party	0.65	0.58
Fair value of ESOP cost	0.84	0.84
AAF Corp		
Dues from related party	0.22	0.18
Trade receivable	29.47	-
Trade payable	6.50	4.44
AOGLLC		
Investment in Equity shares	822.01	822.01
Fair value of ESOP cost	0.95	1.59
Impairment of Investments	822.95	823.59
AEPPL		
Investment in Equity shares	2,265.16	1,905.16
Fair value of ESOP cost	0.01	(0.36)
Impairment of Investments	969.52	969.52
Dues from related party	5.29	5.29
Dues to related party	-	0.19
Trade receivable	-	1.56
Trade payable	-	0.01
Loan to related party	200.00	130.00
Interest accrued on loan given	13.73	1.38
AFCPPL		
Dues from related party	17.26	17.26
Dues to related party	-	0.05
Trade receivable	6.38	6.38
Interest accrued on loan given	6.36	0.78
Loan to related party	100.00	70.00
Investment in Equity shares	1,379.52	1,379.52
Investment in CCD	207.32	207.32
Fair value of financial guarantee issued	8.06	8.06
Impairment of Investments	834.09	834.09
Impairment of Investments-CCD	207.32	207.32
KTMPL		
Fair value of financial guarantee issued	106.50	106.50
Interest accrued on loan given	4.11	0.38
Loan to related party	39.00	39.00

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(All amounts are in INR millions, except share data, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Associate		
AF		
Investment in Equity shares	0.01	-
Joint Ventures		
API		
Investment in Equity shares	89.52	89.52
Fair value of financial guarantee issued	6.32	6.32
Trade payable	11.12	4.67
SQUAD		
Investment in Equity shares	746.23	746.23
Fair value of financial guarantee issued	41.23	40.33
Impairment of Investments	-	234.39
Dues from related party	0.00	0.06
Trade payable	18.48	1.06
Trade receivable	10.65	7.61
ACPL		
Investment in Equity shares	41.50	41.50
Fair value of ESOP cost	0.16	0.16
AJNA		
Investment in Equity shares	100.10	-
Trade receivable	0.30	-

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Aequs Limited

(All amounts are in INR millions, except share data, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence		
ASEZ		
Security deposit	32.64	32.64
Trade payable	2.27	3.28
Dues from related party	1.26	2.48
Dues to related party	0.97	-
Fair value of financial guarantee received	23.84	19.34
AESPL		
Trade payable	0.17	0.15
Dues from related party	17.24	17.24
Dues to related party	1.19	0.33
Impairment on dues from related parties	17.24	17.24
IKC		
Trade payable	-	0.03
Dues from related party	-	0.03
MFO IP Holdings (Earlier name Aequs Limited, Malta)		
Trade payable	10.00	10.00
AREPL		
Dues from related party	0.00	0.00
Loan to related party including interest	9.96	9.12
Impairment of loan and interest thereon	9.96	9.12

*The amounts are below the rounding off norm adopted by the Company.

Note:

a. Loan given to ESOP Trust reflected as Treasury shares.

b. Mr. Aravind Melligeri, Director of the Company, has issued personal guarantees towards securing various working capital facilities: ₹250.00 (March 31, 2025: ₹250) and term loan facilities: ₹53.80 (March 31, 2025: ₹53.80) obtained by the Company.

Key managerial personnel and their relatives		
Short-term employee benefits	8.95	8.95
Post employee benefits	0.75	0.75

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(All amounts are in INR millions, except share data, unless otherwise stated)

Disclosure as required under section 186(4) of Companies Act, 2013.

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Loans receivable (for funding of operations)		
AeroStructures Manufacturing India Private Limited, India (ASMIPL)	300	-
Aequs Engineered Plastics Private Limited, India (AEPPL)	200.00	130.00
Aequs Force Consumer Products Private Limited, India (AFCPPL)	100.00	70.00
Aequs Toys Private Limited, India (ATPL)	145.00	100.00
Aequs Consumer Products Private Limited(ACPPL)	1,110.00	180.00
Koppal Toys Molding COE private Limited, India (KTMCPL)	39.00	39.00
Aequs Rajas extrusion Private Limited, India(AREPL) (from June 25, 2021)	7.40	7.40
Aequs Aerospace BV ('AABV'), Netherlands	-	810.34
(ii) Investments in subsidiaries, associates and joint ventures(Refer Note 6)	21,821.43	14,034.05
(iii) Guarantees given (for term loan, working capital and leases)		
AeroStructures Manufacturing India Private Limited ('ASMIPL')	1,797.40	1,772.79
SQuAD Forging India Private Limited ('SQuAD')	170.00	120.00
Aerostructures Assemblies India Private Ltd (AAI)	150.00	150.00
Aequs Consumer Products Private Limited(ACPPL) (including leases)	2,193.00	3,153.80
Aequs Toys Private Limited, India (ATPL) (including leases)	533.62	533.62
Koppal Toys Molding COE private Limited(KTMCPL) (including leases)	593.14	593.14
Aerospace Processing India Private Limited(API)	50.00	50.00
Aequs Cookware Private Limited(ACPL)	357.06	357.06

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(All amounts are in INR millions, except share data, unless otherwise stated)

32 Earnings per Share

		As at March 31, 2026	As at March 31, 2025
(a)	Earnings per share (basic)	0.82	(1.31)
(b)	Earnings per share (diluted)	0.81	(1.31)
(c)	Profit attributable to the equity share holders used in calculating basic and diluted earnings per share	497.99	(740.78)
(c)	Weighted Average number of Equity shares (basic)	606,198,382	567,485,326
(d)	Weighted Average number of Equity shares (diluted)	611,918,725	567,485,326

For the year ended March 31, 2025, ESOPs outstanding have an impact of reducing the earnings per share on dilution and hence are anti-dilutive. Hence, diluted EPS presented is same as the basic EPS.

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Aequs Limited

(All amounts are in INR millions, except share data, unless otherwise stated)

CIN : L80302KA2000PLC026760

33 Financial ratios

Ratios	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reason for Variance
i) Current ratio (times)	Current assets	Current liabilities	2.85	1.97	44.67%	Note 2
ii) Debt-equity ratio (times)	Borrowings including lease liabilities	Equity	0.02	0.06	-66.67%	Note 3
iii) Debt service coverage ratio (times)	Net operating income	Debt service	2.06	0.76	171.05%	Note 4
iv) Return on equity ratio (%)	Profit after tax	Average equity	3.59%	-7.84%	145.72%	Note 5
v) Inventory turnover ratio (times)	Cost of goods sold (COGS)	Average inventory	1.33	1.05	26.67%	Note 6
vi) Trade receivables turnover ratio (times)	Sales (revenue from operations)	Average receivables	5.90	6.38	-7.52%	Note 1
vii) Trade payable turnover ratio (times)	Purchase of goods & other expenses	Average trade payables	4.19	4.01	4.49%	Note 1
viii) Net capital turnover ratio (times)	Sales (revenue from operations)	Working capital	0.88	1.34	-34.33%	Note 7
ix) Net profit ratio (%)	Profit after tax	Sales (revenue from operations)	40.21%	-80.31%	150.06%	Note 5
x) Return on capital employed (%)	Earning before interest and taxes	Capital employed (tangible net worth + total debt + deferred tax liability)	3.41%	-6.81%	150.13%	Note 8
xi) Return on investment (%)	Other income from investment	Average of opening & closing investment	36.08%	1.38%	2519.44%	Note 9

Notes:

1. Reason for variances less than 25% is not required to be provided, as exempted by Schedule III of the Act.
2. Increase in current assets as result of funds received from IPO.
3. Increase in equity and decrease in debt
4. Increase in profit before tax and decrease in amount of debt service
5. Increase in profit after tax.
6. Increase in cost of goods sold
7. Increase in working capital at higher rate than increase in revenue
8. Increase in earnings before interest and taxes
9. Increase in income from investment while there is decrease in average total assets

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34 Additional regulatory information required by Schedule III

(i) Details of benami property held: No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Willful defaulter: The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies: The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi)(a) The company has not advanced or loaned or invested the funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.

(vi)(b) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.

(vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) The Company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.

(x) The Company does not own any immovable properties.

(xi) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xii) The borrowings obtained by the Company from bank have been applied for the purposes for which such loans were taken.

(xiii) The Company was not required to recognise any provision as at March 31, 2026 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2026.

(xiv) The Company does not have Core Investment Company (CIC) as part of the Group, as defined in the regulations made by the Reserve Bank of India as on March 31, 2026.

(xv) The Company has borrowings from banks and financial institutions on the basis of security of current assets. Refer note 13 (i)(C) for details of quaterly statements of current assets filed by the company with the bank and reconciliation with the books of accounts.

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B S R & Co. LLP ★ Chartered Accountants ★

Aequs Limited ★

35 Subsequent events

1. a) The Company, vide its board resolution dated April 23, 2026, has approved the Scheme of Amalgamation of certain wholly owned subsidiaries i.e, AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited and Aequs Force Consumer Products Private Limited with itself. As of the date of adoption of these financial statements, the Scheme and the related applications are yet to be filed with requisite authorities, and necessary approvals are still pending.

Upon receiving the requisite approvals and completing all formalities associated with the merger, the Company will account for the transaction in accordance with the applicable accounting principles prescribed under Appendix C of the Indian Accounting Standard (Ind AS) 103, 'Business Combinations' notified under Section 133 of the Act and/ or any other applicable Ind AS, as amended from time to time as this will be a transaction between entities under common control. Following the merger, these wholly owned subsidiaries will be subsumed into the Company and will cease to exist as separate legal entities.

36 The financial statements were approved for issue by the Board of Directors on May 26, 2026.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573
Place: Chennai
Date: May 26, 2026

for and on behalf of the Board of Directors of
Aequs Limited (formerly known as Aequs Private Limited)
CIN: L80302KA2000PLC026760

Rajeev Kaul
Co-Founder and Managing Director
DIN-01468590
Place: Belagavi
Date: May 26, 2026

Aravind S Melligeri
Executive Chairman and Chief Executive Officer
DIN-00787735
Place: Belagavi
Date: May 26, 2026

Dinesh Iyer
Chief Financial Officer

Place: Belagavi
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary and Compliance Officer
M. No. - A20823
Place: Belagavi
Date: May 26, 2026

Aequs Limited